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Company, Disney Media and Entertainment
8 *Distribution LLC, Disney DTC LLC, Disney*
Streaming Services LLC, Disney Entertainment &
9 *Sports LLC, Disney Platform Distribution, Inc.,*
10 *BAMTech LLC, Hulu, LLC, and ESPN, Inc.*

11 **IN THE UNITED STATES DISTRICT COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**
13 **WESTERN DIVISION AT LOS ANGELES**

14 INTERDIGITAL INC.,
15 INTERDIGITAL VC HOLDINGS,
16 INC., INTERDIGITAL MADISON
17 PATENT HOLDINGS, SAS, AND
18 INTERDIGITAL CE PATENT
19 HOLDINGS, SAS,

20 Plaintiffs and
21 Counterclaim-
22 Defendants,

23 v.

24 THE WALT DISNEY COMPANY,
25 DISNEY MEDIA AND
26 ENTERTAINMENT DISTRIBUTION
27 LLC, DISNEY DTC LLC, DISNEY
28 STREAMING SERVICES LLC,
DISNEY ENTERTAINMENT &
SPORTS LLC, DISNEY PLATFORM
DISTRIBUTION, INC., BAMTECH,
LLC, HULU, LLC, AND ESPN, INC.,

Defendants and
Counterclaim-
Plaintiffs.

Case No. 2:25-cv-895-WLH-RAO

**DEFENDANTS' ANSWER,
AFFIRMATIVE DEFENSES,
AND COUNTERCLAIMS**

JURY TRIAL DEMANDED

1 Defendants The Walt Disney Company (“TWDC”), Disney Media and
2 Entertainment Distribution LLC (“DMED”), Disney DTC LLC (“DDTC”), Disney
3 Streaming Services LLC (“DSS”), Disney Entertainment & Sports LLC (“DES”),
4 Disney Platform Distribution, Inc. (“DPD”), BAMTech, LLC (“BAMTech”), Hulu,
5 LLC (“Hulu”), and ESPN, Inc. (“ESPN”) (collectively, “Disney” or “Defendants”)
6 hereby submit their Answer and Affirmative Defenses to the Complaint of
7 InterDigital, Inc., InterDigital VC Holdings, Inc., InterDigital Madison Patent
8 Holdings, SAS, and InterDigital CE Patent Holdings, SAS (collectively,
9 “InterDigital” or “Plaintiffs”).

10 Disney also hereby submits its Counterclaims to Plaintiffs’ Complaint.
11 Disney denies all allegations in InterDigital’s Complaint unless expressly admitted
12 in the following paragraphs. Any factual allegations admitted herein are admitted
13 only for purposes of this matter and only as to the specific facts, but not as to any
14 potential characterizations, conclusions, implications, or speculations which may
15 follow from such facts. Disney’s responses reflect its current knowledge, and
16 Disney reserves the right to take further positions and/or raise additional defenses
17 that may become apparent as a result of additional information discovered after the
18 filing of its Answer and Counterclaims.

19 **NATURE OF THE ACTION**

20 1. Disney denies all allegations of Paragraph 1, and specifically denies
21 that it has committed any acts of infringement.

22 2. Disney lacks sufficient knowledge or information on which to form a
23 belief as to the allegations of Paragraph 2 and, on that basis, denies them.

24 3. Disney admits that InterDigital contacted Disney in July of 2022.
25 Disney denies all remaining allegations of Paragraph 3.

26 4. Disney denies all allegations of Paragraph 4, and specifically denies
27 that it has committed any acts of infringement.
28

THE PARTIES

5. Disney lacks sufficient knowledge or information on which to form a belief as to the allegations of Paragraph 5 and, on that basis, denies them.

6. Disney lacks sufficient knowledge or information on which to form a belief as to the allegations of Paragraph 6 and, on that basis, denies them.

7. Disney lacks sufficient knowledge or information on which to form a belief as to the allegations of Paragraph 7 and, on that basis, denies them.

8. Disney lacks sufficient knowledge or information on which to form a belief as to the allegations of Paragraph 8 and, on that basis, denies them.

9. Disney admits TWDC is a Delaware corporation with a principal place of business at 500 South Buena Vista Street, Burbank, California, 91521. Disney admits TWDC has designated CSC–Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Sacramento, California 95833 as its agent for service of process. Disney denies all remaining allegations of Paragraph 9.

10. Disney admits DMED is a Delaware limited liability company with a principal place of business at 500 South Buena Vista Street, Burbank, California 91521. Disney admits DMED has designated CSC–Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Sacramento, California 95833 as its agent for service of process. Disney admits DMED is an indirectly wholly owned subsidiary of TWDC. Disney denies all remaining allegations of Paragraph 10.

11. Disney admits DDTC is a Delaware limited liability company with a principal place of business at 500 South Buena Vista Street, Burbank, California 91521. Disney admits DDTC has designated CSC–Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Sacramento, California 95833 as its agent for service of process. Disney denies all remaining allegations of Paragraph 11.

12. Disney admits DSS is a Delaware limited liability company with a principal place of business at 500 South Buena Vista Street, Burbank, California 91521. Disney admits DSS has designated CSC–Lawyers Incorporating Service,

1 2710 Gateway Oaks Drive, Sacramento, California 95833 as its agent for service of
2 process. Disney admits DSS is an indirectly wholly owned subsidiary of the
3 TWDC. Disney denies all remaining allegations of Paragraph 12.

4 13. Disney admits that DES was formerly known as Disney Streaming
5 Technology LLC and/or Disney Technology LLC. Disney admits DES is a
6 Delaware limited liability company with a principal place of business at 500 South
7 Buena Vista Street, Burbank, California 91521. Disney admits DES has designated
8 CSC–Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Sacramento,
9 California 95833 as its agent for service of process. Disney admits DES is an
10 indirectly wholly owned subsidiary of TWDC. Disney denies all remaining
11 allegations of Paragraph 13.

12 14. Disney admits DPD is a Delaware corporation with a principal place of
13 business at 500 South Buena Vista Street, Burbank, California 91521. Disney
14 admits DPD has designated CSC–Lawyers Incorporating Service, 2710 Gateway
15 Oaks Drive, Sacramento, California 95833 as its agent for service of process.
16 Disney admits DPD is an indirectly wholly owned subsidiary of TWDC. Disney
17 denies all remaining allegations of Paragraph 14.

18 15. Disney admits BAMTech is a Delaware limited liability company with
19 a principal place of business at 1211 Avenue of the Americas, New York, New
20 York 10036. Disney admits BAMTech has designated CSC–Lawyers
21 Incorporating Service, 2710 Gateway Oaks Drive, Sacramento, California 95833 as
22 its agent for service of process. Disney admits BAMTech is an indirect subsidiary
23 of TWDC, which owns 80% of BAMTech, and Hearst Brazil, Inc., a subsidiary of
24 The Hearst Corporation, which owns the remaining 20% of BAMTech. Disney
25 denies all remaining allegations of Paragraph 15.

26 16. Disney admits Hulu is a Delaware limited liability company with a
27 principal place of business at 2500 Broadway, Santa Monica, California 90404.
28 Disney admits Hulu has designated CSC–Lawyers Incorporating Service, 2710

1 Gateway Oaks Drive, Sacramento, California 95833 as its agent for service of
2 process. Disney admits Hulu is an indirect subsidiary of TWDC, which owns
3 66.67% of Hulu, and Comcast Hulu Holdings, LLC, a subsidiary of Comcast
4 Corporation, which owns the remaining 33.33% of Hulu. Disney admits Hulu,
5 LLC operates the Hulu and Hulu Live video streaming services. Disney denies all
6 remaining allegations of Paragraph 16.

7 17. Disney admits ESPN is a Delaware corporation with a principal place
8 of business at ESPN Plaza, Bristol, Connecticut 06010. Disney admits ESPN has
9 designated CSC—Lawyers Incorporating Service, 2710 Gateway Oaks Drive,
10 Sacramento, California 95833 as its agent for service of process. Disney admits
11 ESPN is an indirect subsidiary of TWDC, which owns 80% of ESPN, and Hearst
12 Brazil, Inc., a subsidiary of The Hearst Corporation, which owns the remaining
13 20% of ESPN. Disney admits ESPN, Inc. manages and operates the ESPN+ video
14 streaming service. Disney denies all remaining allegations of Paragraph 17.

15 **JURISDICTION AND VENUE**

16 18. Disney admits InterDigital's complaint purports to invoke the patent
17 laws of the United States, 35 U.S.C. §§ 101, et seq. Disney admits that, for
18 purposes of this action only, this Court has subject matter jurisdiction pursuant to
19 28 U.S.C. §§ 1331 and/or 1338. Disney denies all remaining allegations of
20 Paragraph 18.

21 19. Disney does not dispute personal jurisdiction exists in this judicial
22 district for purposes of this action only. Disney denies all remaining allegations of
23 Paragraph 19.

24 20. Disney does not dispute personal jurisdiction exists in this judicial
25 district for purposes of this action only. Disney denies all remaining allegations of
26 Paragraph 20, and specifically denies that it has committed any acts of
27 infringement.
28

21. Disney does not dispute venue is proper in this judicial district for this action only. Disney denies all remaining allegations of Paragraph 21, and specifically denies that it has committed any acts of infringement.

22. Disney admits TWDC, DES, and DSS maintain an office in this District at 500 South Buena Vista Street, Burbank, California 91521. Disney denies all remaining allegations of Paragraph 22.

23. Disney admits ESPN maintains an office at 800 W. Olympic Blvd., Los Angeles, California 90015. Disney denies all remaining allegations of Paragraph 23.

24. Disney admits the allegations of Paragraph 24.

25. Disney admits that it has conducted certain business activities in this District. Disney denies all remaining allegations of Paragraph 25, and specifically denies that it has committed any acts of infringement.

26. Disney denies the allegations of Paragraph 26.

FACTUAL BACKGROUND

A. InterDigital & Its [Alleged] Persisting Innovation

27. Disney lacks sufficient knowledge or information on which to form a belief as to the allegations of Paragraph 27 and, on that basis, denies them.

28. Disney lacks sufficient knowledge or information on which to form a belief as to the allegations of Paragraph 28 and, on that basis, denies them.

29. Disney lacks sufficient knowledge or information on which to form a belief as to the allegations of Paragraph 29 and, on that basis, denies them.

30. Disney lacks sufficient knowledge or information on which to form a belief as to the allegations of Paragraph 30 and, on that basis, denies them.

B. Video Coding Technology

31. Disney lacks sufficient knowledge or information on which to form a belief as to the allegations of Paragraph 31 and, on that basis, denies them.

1 32. Disney lacks sufficient knowledge or information on which to form a
2 belief as to the allegations of Paragraph 32 and, on that basis, denies them.

3 33. Disney lacks sufficient knowledge or information on which to form a
4 belief as to the allegations of Paragraph 33 and, on that basis, denies them.

5 34. Disney lacks sufficient knowledge or information on which to form a
6 belief as to the allegations of Paragraph 34 and, on that basis, denies them.

7 35. Disney lacks sufficient knowledge or information on which to form a
8 belief as to the allegations of Paragraph 35 and, on that basis, denies them.

9 36. Disney lacks sufficient knowledge or information on which to form a
10 belief as to the allegations of Paragraph 36 and, on that basis, denies them.

11 37. Disney lacks sufficient knowledge or information on which to form a
12 belief as to the allegations of Paragraph 37 and, on that basis, denies them.

13 38. Disney lacks sufficient knowledge or information on which to form a
14 belief as to the allegations of Paragraph 38 and, on that basis, denies them.

15 **C. Defendants' [Allegedly] Infringing Streaming Services**

16 39. Disney denies all allegations of Paragraph 39, and specifically denies
17 that it has committed any acts of infringement.

18 40. Disney admits the allegations of Paragraph 40.

19 41. Disney admits that Disney+ uses AVC and HEVC. Disney admits that
20 Disney+ uses multiple content delivery networks. Disney denies all remaining
21 allegations of Paragraph 41.

22 42. Disney lacks sufficient knowledge or information on which to form a
23 belief as to the allegations of Paragraph 42 and, on that basis, denies them.

24 43. Disney lacks sufficient knowledge or information on which to form a
25 belief as to the allegations of Paragraph 43 and, on that basis, denies them.

26 44. Disney lacks sufficient knowledge or information on which to form a
27 belief as to the allegations of Paragraph 44 and, on that basis, denies them.
28

1 45. Disney lacks sufficient knowledge or information on which to form a
2 belief as to the allegations of Paragraph 45 and, on that basis, denies them.

3 46. Disney lacks sufficient knowledge or information on which to form a
4 belief as to the allegations of Paragraph 46 and, on that basis, denies them.

5 47. Disney lacks sufficient knowledge or information on which to form a
6 belief as to the allegations of Paragraph 47 and, on that basis, denies them.

7 48. Disney lacks sufficient knowledge or information on which to form a
8 belief as to the allegations of Paragraph 48 and, on that basis, denies them.

9 49. Disney admits the allegations of Paragraph 49.

10 50. Disney admits that Hulu uses AVC and HEVC. Disney admits that
11 Hulu uses multiple content delivery networks. Disney denies all remaining
12 allegations of Paragraph 50.

13 51. Disney lacks sufficient knowledge or information on which to form a
14 belief as to the allegations of Paragraph 51 and, on that basis, denies them.

15 52. Disney lacks sufficient knowledge or information on which to form a
16 belief as to the allegations of Paragraph 52 and, on that basis, denies them.

17 53. Disney lacks sufficient knowledge or information on which to form a
18 belief as to the allegations of Paragraph 53 and, on that basis, denies them.

19 54. Disney lacks sufficient knowledge or information on which to form a
20 belief as to the allegations of Paragraph 54 and, on that basis, denies them.

21 55. Disney lacks sufficient knowledge or information on which to form a
22 belief as to the allegations of Paragraph 55 and, on that basis, denies them.

23 56. Disney admits the allegations of Paragraph 56.

24 57. Disney admits that ESPN+ uses AVC. Disney admits that ESPN+
25 uses multiple content delivery networks. Disney denies all remaining allegations of
26 Paragraph 57.

27 58. Disney lacks sufficient knowledge or information on which to form a
28 belief as to the allegations of Paragraph 58 and, on that basis, denies them.

1 59. Disney lacks sufficient knowledge or information on which to form a
2 belief as to the allegations of Paragraph 59 and, on that basis, denies them.

3 60. Disney lacks sufficient knowledge or information on which to form a
4 belief as to the allegations of Paragraph 60 and, on that basis, denies them.

5 61. Disney lacks sufficient knowledge or information on which to form a
6 belief as to the allegations of Paragraph 61 and, on that basis, denies them.

7 62. Disney lacks sufficient knowledge or information on which to form a
8 belief as to the allegations of Paragraph 62 and, on that basis, denies them.

9 63. Disney lacks sufficient knowledge or information on which to form a
10 belief as to the allegations of Paragraph 63 and, on that basis, denies them.

11 64. Disney denies the allegations of Paragraph 64.

12 65. Disney denies the allegations of Paragraph 65.

13 66. Disney denies the allegations of Paragraph 66.

14 67. Disney denies the allegations of Paragraph 67.

15 68. Disney denies the allegations of Paragraph 68.

16 69. Disney denies the allegations of Paragraph 69.

17 70. Disney denies the allegations of Paragraph 70.

18 71. Disney denies the allegations of Paragraph 71.

19 72. Disney denies the allegations of Paragraph 72.

20 73. Disney denies the allegations of Paragraph 73.

21 74. Disney denies the allegations of Paragraph 74.

22 75. Disney denies the allegations of Paragraph 75.

23 76. Disney denies the allegations of Paragraph 76.

24 77. Disney denies the allegations of Paragraph 77

25 78. Disney denies the allegations of Paragraph 78.

26 79. Disney denies the allegations of Paragraph 79.

27 80. Disney denies the allegations of Paragraph 80.

28 81. Disney denies the allegations of Paragraph 81.

- 1 82. Disney denies the allegations of Paragraph 82.
- 2 83. Disney denies the allegations of Paragraph 83.
- 3 84. Disney denies the allegations of Paragraph 84.
- 4 85. Disney denies the allegations of Paragraph 85.
- 5 86. Disney denies the allegations of Paragraph 86.
- 6 87. Disney denies the allegations of Paragraph 87.
- 7 88. Disney denies the allegations of Paragraph 88.
- 8 89. Disney denies the allegations of Paragraph 89.
- 9 90. Disney denies the allegations of Paragraph 90.
- 10 91. Disney denies the allegations of Paragraph 91.
- 11 92. Disney denies the allegations of Paragraph 92.
- 12 93. Disney denies the allegations of Paragraph 93.
- 13 94. Disney denies the allegations of Paragraph 94.
- 14 95. Disney denies the allegations of Paragraph 95.
- 15 96. Disney denies the allegations of Paragraph 96.
- 16 97. Disney denies the allegations of Paragraph 97.
- 17 98. Disney denies the allegations of Paragraph 98.
- 18 99. Disney denies the allegations of Paragraph 99.
- 19 100. Disney denies the allegations of Paragraph 100.
- 20 101. Disney denies the allegations of Paragraph 101.
- 21 102. Disney denies the allegations of Paragraph 102.
- 22 103. Disney denies the allegations of Paragraph 103.
- 23 104. Disney denies the allegations of Paragraph 104.
- 24 105. Disney denies the allegations of Paragraph 105.
- 25 106. Disney denies the allegations of Paragraph 106.
- 26 107. Disney denies the allegations of Paragraph 107.
- 27 108. Disney denies the allegations of Paragraph 108.
- 28 109. Disney denies the allegations of Paragraph 109.

1 110. Disney denies the allegations of Paragraph 110.

2 111. Disney denies the allegations of Paragraph 111.

3 112. Disney admits Disney DTC LLC is responsible for certain aspects of
4 content management and planning for Disney+. Disney denies all remaining
5 allegations of Paragraph 112.

6 113. Disney admits Disney DTC LLC is responsible for certain aspects of
7 content management and planning for Hulu. Disney denies all remaining
8 allegations of Paragraph 113.

9 114. Disney denies the allegations of Paragraph 114.

10 115. Disney denies the allegations of Paragraph 115.

11 116. Disney admits Disney DTC LLC manages certain aspects of third-
12 party media sales efforts for distribution, affiliate marketing, and affiliate-related
13 business operations for Disney+. Disney denies all remaining allegations of
14 Paragraph 116.

15 117. Disney admits Disney DTC LLC manages certain aspects of third-
16 party media sales efforts for distribution, affiliate marketing, and affiliate-related
17 business operations for Hulu. Disney denies all remaining allegations of Paragraph
18 117.

19 118. Disney denies the allegations of Paragraph 118.

20 119. Disney denies the allegations of Paragraph 119.

21 120. Disney admits Disney DTC LLC negotiates certain aspects of certain
22 contracts for the distribution of certain content for Disney+. Disney denies all
23 remaining allegations of Paragraph 120.

24 121. Disney admits Disney DTC LLC negotiates certain aspects of certain
25 contracts for the distribution of certain content for Hulu. Disney denies all
26 remaining allegations of Paragraph 121.

27 122. Disney denies the allegations of Paragraph 122.

28 123. Disney denies the allegations of Paragraph 123.

- 1 124. Disney denies the allegations of Paragraph 124.
- 2 125. Disney denies the allegations of Paragraph 125.
- 3 126. Disney denies the allegations of Paragraph 126.
- 4 127. Disney denies the allegations of Paragraph 127.
- 5 128. Disney denies the allegations of Paragraph 128.
- 6 129. Disney denies the allegations of Paragraph 129.
- 7 130. Disney denies the allegations of Paragraph 130.
- 8 131. Disney denies the allegations of Paragraph 131.
- 9 132. Disney denies the allegations of Paragraph 132.
- 10 133. Disney denies the allegations of Paragraph 133.
- 11 134. Disney denies the allegations of Paragraph 134.
- 12 135. Disney denies the allegations of Paragraph 135.
- 13 136. Disney denies the allegations of Paragraph 136.
- 14 137. Disney denies the allegations of Paragraph 137.
- 15 138. Disney admits the allegations of Paragraph 138.
- 16 139. Disney admits the allegations of Paragraph 139.
- 17 140. Disney admits the allegations of Paragraph 140.
- 18 141. Disney admits the allegations of Paragraph 141.
- 19 142. Disney admits the allegations of Paragraph 142.
- 20 143. Disney admits the allegations of Paragraph 143.
- 21 144. Disney admits the allegations of Paragraph 144.
- 22 145. Disney admits the allegations of Paragraph 145.
- 23 146. Disney admits the allegations of Paragraph 146.
- 24 147. Disney admits the allegations of Paragraph 147.
- 25 148. Disney admits the allegations of Paragraph 148.
- 26 149. Disney admits ESPN, Inc. manages and operates certain aspects of
- 27 ESPN+. Disney denies all remaining allegations of Paragraph 149.
- 28 150. Disney admits the allegations of Paragraph 150.

1 151. Disney admits the allegations of Paragraph 151.

2 152. Disney admits the website <https://medium.com/disney-streaming> states
3 “The Art of Possible” and “A Disney Technology Blog” and appears to display a
4 Hulu logo, Disney+ logo, and ESPN+ logo next to a Disney Streaming logo.
5 Disney denies all remaining allegations of Paragraph 152.

6 153. Disney admits the website
7 <https://www.disneyplus.com/legal/subscriber-agreement> states “Disney Platform
8 Distribution, Inc., located at 500 South Buena Vista Street, Burbank, CA 91521
9 (‘Disney+’), BAMTech, LLC, located at 50 Vandam Street, 9W, New York, NY
10 10013 (‘ESPN+’), and Hulu, LLC, located at 2500 Broadway, 2nd Floor, Santa
11 Monica, CA 90404 (‘Hulu’) are referred to collectively in this Agreement as ‘we’,
12 ‘us’ and ‘our’.” Disney denies all remaining allegations of Paragraph 153.

13 154. Disney admits the website
14 <https://www.disneyplus.com/legal/subscriber-agreement> states “Disney Platform
15 Distribution, Inc., located at 500 South Buena Vista Street, Burbank, CA 91521
16 (‘Disney+’), BAMTech, LLC, located at 50 Vandam Street, 9W, New York, NY
17 10013 (‘ESPN+’), and Hulu, LLC, located at 2500 Broadway, 2nd Floor, Santa
18 Monica, CA 90404 (‘Hulu’) are referred to collectively in this Agreement as ‘we’,
19 ‘us’ and ‘our’.” Disney denies all remaining allegations of Paragraph 154.

20 155. Disney admits the website
21 https://www.hulu.com/subscriber_agreement states “Disney Platform Distribution,
22 Inc., located at 500 South Buena Vista Street, Burbank, CA 91521 (‘Disney+’),
23 BAMTech, LLC, located at 50 Vandam Street, 9W, New York, NY 10013
24 (‘ESPN+’), and Hulu, LLC, located at 2500 Broadway, 2nd Floor, Santa Monica,
25 CA 90404 (‘Hulu’) are referred to collectively in this Agreement as ‘we’, ‘us’ and
26 ‘our’.” Disney denies all remaining allegations of Paragraph 155.

27 156. Disney admits the allegations of Paragraph 156.

28 157. Disney admits the allegations of Paragraph 157.

1 158. Disney admits the allegations of Paragraph 158.

2 159. Disney admits the allegations of Paragraph 159.

3 160. Disney admits the allegations of Paragraph 160.

4 161. Disney admits the allegations of Paragraph 161.

5 162. Disney admits the allegations of Paragraph 162.

6 163. Disney admits the allegations of Paragraph 163.

7 164. Disney admits the allegations of Paragraph 164.

8 165. Disney admits the allegations of Paragraph 165.

9 166. Disney admits the allegations of Paragraph 166.

10 167. Disney admits the allegations of Paragraph 167.

11 168. Disney admits the allegations of Paragraph 168.

12 169. Disney admits that certain employees are shared among certain of the
13 Defendants. Disney denies all remaining allegations of Paragraph 169.

14 170. Disney admits the allegations of Paragraph 170.

15 171. Disney admits the allegations of Paragraph 171.

16 172. Disney admits the allegations of Paragraph 172.

17 173. Disney admits that subscriptions are available that include two or three
18 of the following: Hulu, Disney+, and ESPN+. Disney denies all remaining
19 allegations of Paragraph 173.

20 174. Disney admits that subscriptions are available that include two or three
21 of the following: Hulu, Disney+, and ESPN+. Disney denies all remaining
22 allegations of Paragraph 174.

23 175. Disney admits the allegations of Paragraph 175.

24 176. Disney admits the website [https://thewaltdisneycompany.com/the-](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/)
25 [walt-disney-company-announces-strategic-restructuring-restoring-accountability-](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/)
26 [to-creative-businesses/](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/) states “Effective immediately, several shared-service
27 organizations across the company will support both Disney Entertainment and
28 ESPN, facilitating company-wide efficiencies and creating a more cost-effective,

1 coordinated, and streamlined approach to operations. These include Product and
2 Technology, led by Aaron LaBerge; Advertising Sales, led by Rita Ferro; and
3 Platform Distribution led by Justin Connolly excluding Theatrical Distribution and
4 Music, which will be overseen by Bergman.” Disney denies all remaining
5 allegations of Paragraph 176.

6 177. Disney admits the website
7 [https://www.disneycareers.com/en/job/santa-monica/sr-software-engineer-rust-](https://www.disneycareers.com/en/job/santa-monica/sr-software-engineer-rust-engineering/391/72468085792)
8 [engineering/391/72468085792](https://www.disneycareers.com/en/job/santa-monica/sr-software-engineer-rust-engineering/391/72468085792) states “DE&E Technologists are designing and
9 building the infrastructure that will power Disney’s media, advertising, and
10 distribution businesses for years to come.” Disney further admits this website
11 states: “The products and platforms this group builds and operates delight millions
12 of consumers every minute of every day – from Disney+ and Hulu, to ABC News
13 and Entertainment, to ESPN and ESPN+, and much more.” Disney denies all
14 remaining allegations of Paragraph 177.

15 178. Disney admits the website
16 [https://www.disneycareers.com/en/job/santa-monica/sr-software-engineer-rust-](https://www.disneycareers.com/en/job/santa-monica/sr-software-engineer-rust-engineering/391/72468085792)
17 [engineering/391/72468085792](https://www.disneycareers.com/en/job/santa-monica/sr-software-engineer-rust-engineering/391/72468085792) states “Disney Entertainment and ESPN Technology
18 (DE&E Technology) provides the technological backbone and product
19 development for Disney’s two media business units, while helping to keep the
20 company at the vanguard of innovation – enabling the Company to continuously
21 leverage technology to enhance storytelling and creativity, while delivering
22 scalability, flexibility, and efficiency for its businesses.” Disney denies all
23 remaining allegations of Paragraph 178.

24 179. Disney admits the website [https://www.disneycareers.com/en/job/new-](https://www.disneycareers.com/en/job/new-york/senior-data-engineer-identity-data/391/71800273968)
25 [york/senior-data-engineer-identity-data/391/71800273968](https://www.disneycareers.com/en/job/new-york/senior-data-engineer-identity-data/391/71800273968) states “The Product &
26 Data Engineering team is responsible for end to end development for Disney’s
27 world-class consumer-facing products, including streaming platforms Disney+,
28 Hulu, and ESPN+, and digital products & experiences across ESPN, Marvel,

1 Disney Studios, NatGeo, and ABC News.” Disney denies all remaining allegations
2 of Paragraph 179.

3 180. Disney admits the website
4 [https://www.hollywoodreporter.com/business/digital/disney-pays-900m-for-](https://www.hollywoodreporter.com/business/digital/disney-pays-900m-for-bamtech-1235271788/)
5 [bamtech-1235271788/](https://www.hollywoodreporter.com/business/digital/disney-pays-900m-for-bamtech-1235271788/) states “BAMTech technology powers Disney+, Hulu and
6 Disney’s other offerings....” Disney denies all remaining allegations of Paragraph
7 180.

8 181. Disney admits the allegations of Paragraph 181.

9 182. Disney admits the website [https://thewaltdisneycompany.com/the-](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/)
10 [walt-disney-company-announces-strategic-restructuring-restoring-accountability-](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/)
11 [to-creative-businesses/](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/) states “Effective immediately, several shared-service
12 organizations across the company will support both Disney Entertainment and
13 ESPN, facilitating company-wide efficiencies and creating a more cost-effective,
14 coordinated, and streamlined approach to operations. These include Product and
15 Technology, led by Aaron LaBerge; Advertising Sales, led by Rita Ferro; and
16 Platform Distribution led by Justin Connolly excluding Theatrical Distribution and
17 Music, which will be overseen by Bergman.” Disney denies all remaining
18 allegations of Paragraph 182.

19 183. Disney admits the allegations of Paragraph 183.

20 184. Disney admits the website [https://thewaltdisneycompany.com/the-](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/)
21 [walt-disney-company-announces-strategic-restructuring-restoring-accountability-](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/)
22 [to-creative-businesses/](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/) states “Effective immediately, several shared-service
23 organizations across the company will support both Disney Entertainment and
24 ESPN, facilitating company-wide efficiencies and creating a more cost-effective,
25 coordinated, and streamlined approach to operations. These include Product and
26 Technology, led by Aaron LaBerge; Advertising Sales, led by Rita Ferro; and
27 Platform Distribution led by Justin Connolly excluding Theatrical Distribution and
28

1 Music, which will be overseen by Bergman.” Disney denies all remaining
2 allegations of Paragraph 184.

3 185. Disney admits the allegations of paragraph 185.

4 186. Disney admits Aaron LaBerge previously served as the president and
5 chief technology officer of Disney Entertainment and ESPN. Disney denies all
6 remaining allegations of Paragraph 186.

7 187. Disney admits The Walt Disney Company’s Disney Entertainment
8 segment houses Disney+ and Hulu. Disney admits the website
9 [https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/)
10 [restructuring-restoring-accountability-to-creative-businesses/](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/) states (1) “Disney
11 Entertainment co-Chairmen Alan Bergman and Dana Walden will oversee the
12 company’s global entertainment streaming businesses and manage all content
13 decisions for those services, including Disney+ and Hulu,” and (2) “Jimmy Pitaro is
14 Chairman of The Walt Disney Company’s ESPN business segment, which includes
15 ESPN and ESPN+.” Disney denies all remaining allegations of Paragraph 187.

16 188. Disney admits the website [https://theorg.com/org/disney/org-](https://theorg.com/org/disney/org-chart/justin-connelly)
17 [chart/justin-connelly](https://theorg.com/org/disney/org-chart/justin-connelly) states “As President of Disney Platform Distribution, Justin
18 Connolly oversees all third-party media sales efforts for distribution, distribution
19 strategy, affiliate marketing and affiliate-related business operations for all of the
20 Company’s direct-to-consumer services and linear media networks; content sales
21 agreements for General Entertainment, Studios and Sports; as well as global
22 theatrical film distribution and the Disney Music Group.” Disney further admits
23 the website [https://thewaltdisneycompany.com/the-walt-disney-company-](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/)
24 [announces-strategic-restructuring-restoring-accountability-to-creative-businesses/](https://thewaltdisneycompany.com/the-walt-disney-company-announces-strategic-restructuring-restoring-accountability-to-creative-businesses/)
25 states “Effective immediately, several shared-service organizations across the
26 company will support both Disney Entertainment and ESPN, facilitating company-
27 wide efficiencies and creating a more cost-effective, coordinated, and streamlined
28 approach to operations. These include Product and Technology, led by Aaron

1 LaBerge; Advertising Sales, led by Rita Ferro; and Platform Distribution led by
2 Justin Connolly excluding Theatrical Distribution and Music, which will be
3 overseen by Bergman.” Disney denies all remaining allegations of Paragraph 188.

4 189. Disney admits the website <https://press.hulu.com/bios/joe-earley/>
5 states “Joe Earley is the President of Direct-to-Consumer, Disney Entertainment,
6 where he leads efforts to expand and elevate the company’s best-in-class streaming
7 services, utilizing the impactful and resonant programming and engagement
8 offerings across Disney+ and Hulu.” Disney denies all remaining allegations of
9 Paragraph 189.

10 190. Disney admits the website <https://press.hulu.com/bios/april-carretta/>
11 states “As SVP of Communications for Direct-To-Consumer, Platform Distribution
12 & Technology, April Carretta leads the team responsible for all communications
13 efforts in support of Disney Entertainment’s portfolio of direct-to-consumer
14 businesses....” Disney denies all remaining allegations of Paragraph 190.

15 191. Disney admits the website [https://press.disneyplus.com/news/alisa-](https://press.disneyplus.com/news/alisa-bowen-named-president-of-disney-plus)
16 [bowen-named-president-of-disney-plus](https://press.disneyplus.com/news/alisa-bowen-named-president-of-disney-plus) states “Alisa Bowen has been named
17 President of Disney+, effective immediately.... Bowen has led global business
18 operations for Disney’s streaming platforms, including Disney+, since its launch in
19 2019.... Bowen will work closely with key leaders across The Walt Disney
20 Company to drive continued focus on innovation, including the forthcoming launch
21 of the advertising-supported tier, as well as multi-channel promotional support for
22 Disney+ and its robust content slate.... She most recently served as EVP of Global
23 Business Operations for Disney Streaming, overseeing global content and business
24 operations for the Company’s direct-to-consumer video streaming businesses,
25 Disney+, Hulu, ESPN+, and Star+.” Disney denies all remaining allegations of
26 Paragraph 191.

27 192. Disney admits that Michael Paull is a former President of Disney
28 Streaming. Disney further admits that the website

1 <https://www.forbes.com/sites/megandubois/2022/01/20/disney-announces->
2 [executives-for-its-disney-media-and-entertainment-segment/?sh=49a43e8c41f7](https://www.forbes.com/sites/megandubois/2022/01/20/disney-announces-executives-for-its-disney-media-and-entertainment-segment/?sh=49a43e8c41f7)
3 states “Michael Paull, the executive who helped launch the company’s ESPN+ has
4 been promoted to a newly created role of President, Disney Streaming. He will be
5 responsible for Disney+, Hulu, ESPN+, and Star+.” Disney denies all remaining
6 allegations of Paragraph 192.

7 193. Disney admits the allegations of Paragraph 193.

8 194. Disney admits the allegations of Paragraph 194.

9 195. Disney admits that the websites <https://plus.espn.com/> and
10 <https://www.disneyplus.com/> include text that reads “Privacy Policy” and that is a
11 link to the website <https://privacy.thewaltdisneycompany.com/en/>. Disney denies
12 all remaining allegations of Paragraph 195.

13 196. Disney admits the website <https://www.disneycareers.com/en/> includes
14 an ability to filter “opportunities” by “business” including “Disney Entertainment,”
15 “Disney Entertainment & ESPN Technology,” “Disney Entertainment Television,”
16 “Disney Platform Distribution,” “ESPN,” and “The Walt Disney Company.”
17 Disney denies all remaining allegations of Paragraph 196.

18 197. Disney admits the website
19 [https://www.disneycareers.com/en/job/santa-monica/senior-analyst-hulu-](https://www.disneycareers.com/en/job/santa-monica/senior-analyst-hulu-subscriber-planning/391/74783297328)
20 [subscriber-planning/391/74783297328](https://www.disneycareers.com/en/job/santa-monica/senior-analyst-hulu-subscriber-planning/391/74783297328) states “Senior Analyst, Hulu Subscriber
21 Planning” and “[t]his position is with Hulu, LLC, which is part of a business we
22 call Disney Entertainment.” Disney denies all remaining allegations of Paragraph
23 197.

24 198. Disney admits the website [https://www.disneycareers.com/en/job/new-](https://www.disneycareers.com/en/job/new-york/sr-manager-software-engineering/391/76050096368)
25 [york/sr-manager-software-engineering/391/76050096368](https://www.disneycareers.com/en/job/new-york/sr-manager-software-engineering/391/76050096368) states “Sr. Manager,
26 Software Engineering (Identity Engineering)” and “[t]his position is with Disney
27 Streaming Technology LLC, which is part of a business we call Disney
28

1 Entertainment & ESPN Technology.” Disney denies all remaining allegations of
2 Paragraph 198.

3 **D. Certain Defendants Are [Allegedly] Agents of One Another**

4 199. Paragraph 199 solely expresses legal conclusions and therefore does
5 not require a response. To the extent a response is required, Disney denies all
6 allegations of Paragraph 199.

7 200. Paragraph 200 solely expresses legal conclusions and therefore does
8 not require a response. To the extent a response is required, Disney denies all
9 allegations of Paragraph 200.

10 201. Paragraph 201 solely expresses legal conclusions and therefore does
11 not require a response. To the extent a response is required, Disney denies all
12 allegations of Paragraph 201.

13 202. Paragraph 202 solely expresses legal conclusions and therefore does
14 not require a response. To the extent a response is required, Disney denies all
15 allegations of Paragraph 202.

16 203. Paragraph 203 solely expresses legal conclusions and therefore does
17 not require a response. To the extent a response is required, Disney denies all
18 allegations of Paragraph 203.

19 204. Paragraph 204 solely expresses legal conclusions and therefore does
20 not require a response. To the extent a response is required, Disney denies all
21 allegations of Paragraph 204.

22 205. Paragraph 205 solely expresses legal conclusions and therefore does
23 not require a response. To the extent a response is required, Disney denies all
24 allegations of Paragraph 205.

25 206. Paragraph 206 solely expresses legal conclusions and therefore does
26 not require a response. To the extent a response is required, Disney denies all
27 allegations of Paragraph 206.

28

1 207. Paragraph 207 solely expresses legal conclusions and therefore does
2 not require a response. To the extent a response is required, Disney denies all
3 allegations of Paragraph 207.

4 208. Paragraph 208 solely expresses legal conclusions and therefore does
5 not require a response. To the extent a response is required, Disney denies all
6 allegations of Paragraph 208.

7 209. Paragraph 209 solely expresses legal conclusions and therefore does
8 not require a response. To the extent a response is required, Disney denies all
9 allegations of Paragraph 209.

10 210. Paragraph 210 solely expresses legal conclusions and therefore does
11 not require a response. To the extent a response is required, Disney denies all
12 allegations of Paragraph 210.

13 211. Paragraph 211 solely expresses legal conclusions and therefore does
14 not require a response. To the extent a response is required, Disney denies all
15 allegations of Paragraph 211.

16 212. Paragraph 212 solely expresses legal conclusions and therefore does
17 not require a response. To the extent a response is required, Disney denies all
18 allegations of Paragraph 212.

19 213. Paragraph 213 solely expresses legal conclusions and therefore does
20 not require a response. To the extent a response is required, Disney denies all
21 allegations of Paragraph 213.

22 214. Paragraph 214 solely expresses legal conclusions and therefore does
23 not require a response. To the extent a response is required, Disney denies all
24 allegations of Paragraph 214.

25 215. Paragraph 215 solely expresses legal conclusions and therefore does
26 not require a response. To the extent a response is required, Disney denies all
27 allegations of Paragraph 215.

28

1 216. Paragraph 216 solely expresses legal conclusions and therefore does
2 not require a response. To the extent a response is required, Disney denies all
3 allegations of Paragraph 216.

4 217. Paragraph 217 solely expresses legal conclusions and therefore does
5 not require a response. To the extent a response is required, Disney denies all
6 allegations of Paragraph 217.

7 218. Paragraph 218 solely expresses legal conclusions and therefore does
8 not require a response. To the extent a response is required, Disney denies all
9 allegations of Paragraph 218.

10 219. Paragraph 219 solely expresses legal conclusions and therefore does
11 not require a response. To the extent a response is required, Disney denies all
12 allegations of Paragraph 219.

13 220. Paragraph 220 solely expresses legal conclusions and therefore does
14 not require a response. To the extent a response is required, Disney denies all
15 allegations of Paragraph 220.

16 221. Paragraph 221 solely expresses legal conclusions and therefore does
17 not require a response. To the extent a response is required, Disney denies all
18 allegations of Paragraph 221.

19 222. Paragraph 222 solely expresses legal conclusions and therefore does
20 not require a response. To the extent a response is required, Disney denies all
21 allegations of Paragraph 222.

22 223. Paragraph 223 solely expresses legal conclusions and therefore does
23 not require a response. To the extent a response is required, Disney denies all
24 allegations of Paragraph 223.

25 224. Paragraph 224 solely expresses legal conclusions and therefore does
26 not require a response. To the extent a response is required, Disney denies all
27 allegations of Paragraph 224.

28

1 225. Paragraph 225 solely expresses legal conclusions and therefore does
2 not require a response. To the extent a response is required, Disney denies all
3 allegations of Paragraph 225.

4 **E. The Walt Disney Company's [Alleged] Vicarious Liability**

5 226. Disney denies the allegations of Paragraph 226, and specifically denies
6 that it has committed any acts of infringement.

7 227. Disney denies the allegations of Paragraph 227, and specifically denies
8 that it has committed any acts of infringement.

9 228. Disney denies the allegations of Paragraph 228, and specifically denies
10 that it has committed any acts of infringement.

11 229. Disney admits the allegations of Paragraph 229.

12 230. Disney denies that DEMD has engaged in any infringing activities.
13 Disney denies all remaining allegations of Paragraph 230, and specifically denies
14 that it has committed any acts of infringement.

15 231. Disney denies that DEMD has engaged in any infringing activities.
16 Disney denies all remaining allegations of Paragraph 231, and specifically denies
17 that it has committed any acts of infringement.

18 232. Disney denies all allegations of Paragraph 232, and specifically denies
19 that it has committed any acts of infringement.

20 233. Disney denies the allegations of Paragraph 233, and specifically denies
21 that it has committed any acts of infringement.

22 234. Disney denies the allegations of Paragraph 234, and specifically denies
23 that it has committed any acts of infringement.

24 235. Disney denies the allegations of Paragraph 235, and specifically denies
25 that it has committed any acts of infringement.

26 236. Disney admits the allegations of Paragraph 236.

1 237. Disney denies that DPD has engaged in any infringing activities.

2 Disney denies all remaining allegations of Paragraph 237, and specifically denies
3 that it has committed any acts of infringement.

4 238. Disney denies that DPD has engaged in any infringing activities.

5 Disney denies all remaining allegations of Paragraph 238, and specifically denies
6 that it has committed any acts of infringement.

7 239. Disney denies all allegations of Paragraph 239, and specifically denies
8 that it has committed any acts of infringement.

9 240. Disney denies the allegations of Paragraph 240, and specifically denies
10 that it has committed any acts of infringement.

11 241. Disney denies the allegations of Paragraph 241, and specifically denies
12 that it has committed any acts of infringement.

13 242. Disney denies the allegations of Paragraph 242, and specifically denies
14 that it has committed any acts of infringement.

15 243. Disney admits the allegations of Paragraph 243.

16 244. Disney denies that DSS has engaged in any infringing activities.
17 Disney denies all remaining allegations of Paragraph 244, and specifically denies
18 that it has committed any acts of infringement.

19 245. Disney denies that DSS has engaged in any infringing activities.
20 Disney denies all remaining allegations of Paragraph 245, and specifically denies
21 that it has committed any acts of infringement.

22 246. Disney denies all allegations of Paragraph 246, and specifically denies
23 that it has committed any acts of infringement.

24 247. Disney denies the allegations of Paragraph 247, and specifically denies
25 that it has committed any acts of infringement.

26 248. Disney denies the allegations of Paragraph 248, and specifically denies
27 that it has committed any acts of infringement.

28

1 249. Disney denies the allegations of Paragraph 249, and specifically denies
2 that it has committed any acts of infringement.

3 250. Disney admits the allegations of Paragraph 250.

4 251. Disney denies that DES has engaged in any infringing activities.
5 Disney denies all remaining allegations of Paragraph 251, and specifically denies
6 that it has committed any acts of infringement.

7 252. Disney denies that DES has engaged in any infringing activities.
8 Disney denies all remaining allegations of Paragraph 252, and specifically denies
9 that it has committed any acts of infringement.

10 253. Disney denies all allegations of Paragraph 253, and specifically denies
11 that it has committed any acts of infringement.

12 254. Disney denies the allegations of Paragraph 254, and specifically denies
13 that it has committed any acts of infringement.

14 255. Disney denies the allegations of Paragraph 255, and specifically denies
15 that it has committed any acts of infringement.

16 256. Disney denies the allegations of Paragraph 256, and specifically denies
17 that it has committed any acts of infringement.

18 257. Disney admits the allegations of Paragraph 257.

19 258. Disney denies that DDTC has engaged in any infringing activities.
20 Disney denies all remaining allegations of Paragraph 258, and specifically denies
21 that it has committed any acts of infringement.

22 259. Disney denies that DDTC has engaged in any infringing activities.
23 Disney denies all remaining allegations of Paragraph 259, and specifically denies
24 that it has committed any acts of infringement.

25 260. Disney denies all allegations of Paragraph 260, and specifically denies
26 that it has committed any acts of infringement.

27 261. Disney denies the allegations of Paragraph 261, and specifically denies
28 that it has committed any acts of infringement.

1 262. Disney denies the allegations of Paragraph 262, and specifically denies
2 that it has committed any acts of infringement.

3 263. Disney denies the allegations of Paragraph 263, and specifically denies
4 that it has committed any acts of infringement.

5 264. Disney admits the allegations of Paragraph 264.

6 265. Disney denies that BAMTech has engaged in any infringing activities.
7 Disney denies all remaining allegations of Paragraph 265, and specifically denies
8 that it has committed any acts of infringement.

9 266. Disney denies that BAMTech has engaged in any infringing activities.
10 Disney denies all remaining allegations of Paragraph 266, and specifically denies
11 that it has committed any acts of infringement.

12 267. Disney denies all allegations of Paragraph 267, and specifically denies
13 that it has committed any acts of infringement.

14 268. Disney denies the allegations of Paragraph 268, and specifically denies
15 that it has committed any acts of infringement.

16 269. Disney denies the allegations of Paragraph 269, and specifically denies
17 that it has committed any acts of infringement.

18 270. Disney denies the allegations of Paragraph 270, and specifically denies
19 that it has committed any acts of infringement.

20 271. Disney admits the allegations of Paragraph 271.

21 272. Disney denies that Hulu has engaged in any infringing activities.
22 Disney denies all remaining allegations of Paragraph 272, and specifically denies
23 that it has committed any acts of infringement.

24 273. Disney denies that Hulu has engaged in any infringing activities.
25 Disney denies all remaining allegations of Paragraph 273, and specifically denies
26 that it has committed any acts of infringement.

27 274. Disney denies all allegations of Paragraph 274, and specifically denies
28 that it has committed any acts of infringement.

1 275. Disney denies the allegations of Paragraph 275, and specifically denies
2 that it has committed any acts of infringement.

3 276. Disney denies the allegations of Paragraph 276, and specifically denies
4 that it has committed any acts of infringement.

5 277. Disney denies the allegations of Paragraph 277, and specifically denies
6 that it has committed any acts of infringement.

7 278. Disney admits the allegations of Paragraph 278.

8 279. Disney denies that ESPN has engaged in any infringing activities.
9 Disney denies all remaining allegations of Paragraph 279, and specifically denies
10 that it has committed any acts of infringement.

11 280. Disney denies that ESPN has engaged in any infringing activities.
12 Disney denies all remaining allegations of Paragraph 280, and specifically denies
13 that it has committed any acts of infringement.

14 281. Disney denies all allegations of Paragraph 281, and specifically denies
15 that it has committed any acts of infringement.

16 282. Disney denies all allegations of Paragraph 282, and specifically denies
17 that it has committed any acts of infringement.

18 283. Disney denies all allegations of Paragraph 283, and specifically denies
19 that it has committed any acts of infringement.

20 284. Disney denies all allegations of Paragraph 284, and specifically denies
21 that it has committed any acts of infringement.

22 285. Disney denies all allegations of Paragraph 285.

23 286. Disney denies all allegations of Paragraph 286, and specifically denies
24 that it has committed any acts of infringement.

25 287. Disney denies all allegations of Paragraph 287, and specifically denies
26 that it has committed any acts of infringement.

27 288. Disney denies all allegations of Paragraph 288, and specifically denies
28 that it has committed any acts of infringement.

1 **F. Disney Media and Entertainment Distribution LLC's [Alleged] Vicarious**
2 **Liability**

3 289. Disney denies all allegations of Paragraph 289, and specifically denies
4 that it has committed any acts of infringement.

5 290. Disney denies all allegations of Paragraph 290, and specifically denies
6 that it has committed any acts of infringement.

7 291. Disney denies all allegations of Paragraph 291, and specifically denies
8 that it has committed any acts of infringement.

9 292. Disney denies the allegations of Paragraph 292.

10 293. Disney denies that PDP has engaged in any infringing activities.
11 Disney denies all remaining allegations of Paragraph 293, and specifically denies
12 that it has committed any acts of infringement.

13 294. Disney denies that PDP has engaged in any infringing activities.
14 Disney denies all remaining allegations of Paragraph 294, and specifically denies
15 that it has committed any acts of infringement.

16 295. Disney denies all allegations of Paragraph 295, and specifically denies
17 that it has committed any acts of infringement.

18 296. Disney denies the allegations of Paragraph 296, and specifically denies
19 that it has committed any acts of infringement.

20 297. Disney denies the allegations of Paragraph 297, and specifically denies
21 that it has committed any acts of infringement.

22 298. Disney denies the allegations of Paragraph 298, and specifically denies
23 that it has committed any acts of infringement.

24 299. Disney denies the allegations of Paragraph 299.

25 300. Disney denies that DSS has engaged in any infringing activities.
26 Disney denies all remaining allegations of Paragraph 300, and specifically denies
27 that it has committed any acts of infringement.
28

1 301. Disney denies that DSS has engaged in any infringing activities.

2 Disney denies all remaining allegations of Paragraph 301, and specifically denies
3 that it has committed any acts of infringement.

4 302. Disney denies all allegations of Paragraph 302, and specifically denies
5 that it has committed any acts of infringement.

6 303. Disney denies the allegations of Paragraph 303, and specifically denies
7 that it has committed any acts of infringement.

8 304. Disney denies the allegations of Paragraph 304, and specifically denies
9 that it has committed any acts of infringement.

10 305. Disney denies the allegations of Paragraph 305, and specifically denies
11 that it has committed any acts of infringement.

12 306. Disney denies the allegations of Paragraph 306.

13 307. Disney denies that DES has engaged in any infringing activities.

14 Disney denies all remaining allegations of Paragraph 307, and specifically denies
15 that it has committed any acts of infringement.

16 308. Disney denies that DES has engaged in any infringing activities.

17 Disney denies all remaining allegations of Paragraph 308, and specifically denies
18 that it has committed any acts of infringement.

19 309. Disney denies all allegations of Paragraph 309, and specifically denies
20 that it has committed any acts of infringement.

21 310. Disney denies the allegations of Paragraph 310, and specifically denies
22 that it has committed any acts of infringement.

23 311. Disney denies the allegations of Paragraph 311, and specifically denies
24 that it has committed any acts of infringement.

25 312. Disney denies the allegations of Paragraph 312, and specifically denies
26 that it has committed any acts of infringement.

27 313. Disney denies the allegations of Paragraph 313.

28

1 314. Disney denies that DDTC has engaged in any infringing activities.
2 Disney denies all remaining allegations of Paragraph 314, and specifically denies
3 that it has committed any acts of infringement.

4 315. Disney denies that DDTC has engaged in any infringing activities.
5 Disney denies all remaining allegations of Paragraph 315, and specifically denies
6 that it has committed any acts of infringement.

7 316. Disney denies all allegations of Paragraph 316, and specifically denies
8 that it has committed any acts of infringement.

9 317. Disney denies the allegations of Paragraph 317, and specifically denies
10 that it has committed any acts of infringement.

11 318. Disney denies the allegations of Paragraph 318, and specifically denies
12 that it has committed any acts of infringement.

13 319. Disney denies the allegations of Paragraph 319, and specifically denies
14 that it has committed any acts of infringement.

15 320. Disney denies the allegations of Paragraph 320.

16 321. Disney denies that BAMTech has engaged in any infringing activities.
17 Disney denies all remaining allegations of Paragraph 321, and specifically denies
18 that it has committed any acts of infringement.

19 322. Disney denies that BAMTech has engaged in any infringing activities.
20 Disney denies all remaining allegations of Paragraph 322, and specifically denies
21 that it has committed any acts of infringement.

22 323. Disney denies all allegations of Paragraph 323, and specifically denies
23 that it has committed any acts of infringement.

24 324. Disney denies the allegations of Paragraph 324, and specifically denies
25 that it has committed any acts of infringement.

26 325. Disney denies the allegations of Paragraph 325, and specifically denies
27 that it has committed any acts of infringement.

28

1 326. Disney denies the allegations of Paragraph 326, and specifically denies
2 that it has committed any acts of infringement.

3 327. Disney denies the allegations of Paragraph 327.

4 328. Disney denies that Hulu has engaged in any infringing activities.
5 Disney denies all remaining allegations of Paragraph 328, and specifically denies
6 that it has committed any acts of infringement.

7 329. Disney denies that Hulu has engaged in any infringing activities.
8 Disney denies all remaining allegations of Paragraph 329, and specifically denies
9 that it has committed any acts of infringement.

10 330. Disney denies all allegations of Paragraph 330, and specifically denies
11 that it has committed any acts of infringement.

12 331. Disney denies the allegations of Paragraph 331, and specifically denies
13 that it has committed any acts of infringement.

14 332. Disney denies the allegations of Paragraph 332, and specifically denies
15 that it has committed any acts of infringement.

16 333. Disney denies the allegations of Paragraph 333, and specifically denies
17 that it has committed any acts of infringement.

18 334. Disney denies the allegations of Paragraph 334.

19 335. Disney denies that ESPN has engaged in any infringing activities.
20 Disney denies all remaining allegations of Paragraph 335, and specifically denies
21 that it has committed any acts of infringement.

22 336. Disney denies that ESPN has engaged in any infringing activities.
23 Disney denies all remaining allegations of Paragraph 336, and specifically denies
24 that it has committed any acts of infringement.

25 337. Disney denies all allegations of Paragraph 337, and specifically denies
26 that it has committed any acts of infringement.

27 338. Disney denies the allegations of Paragraph 338, and specifically denies
28 that it has committed any acts of infringement.

1 339. Disney denies the allegations of Paragraph 339, and specifically denies
2 that it has committed any acts of infringement.

3 340. Disney denies the allegations of Paragraph 340, and specifically denies
4 that it has committed any acts of infringement.

5 341. Disney denies all allegations of Paragraph 341.

6 342. Disney denies the allegations of Paragraph 342, and specifically denies
7 that it has committed any acts of infringement.

8 343. Disney denies the allegations of Paragraph 343, and specifically denies
9 that it has committed any acts of infringement.

10 344. Disney denies the allegations of Paragraph 344, and specifically denies
11 that it has committed any acts of infringement.

12 **G. Disney Streaming Services LLC's [Alleged] Vicarious Liability**

13 345. Disney denies the allegations of Paragraph 345, and specifically denies
14 that it has committed any acts of infringement.

15 346. Disney denies the allegations of Paragraph 346, and specifically denies
16 that it has committed any acts of infringement.

17 347. Disney denies the allegations of Paragraph 347, and specifically denies
18 that it has committed any acts of infringement.

19 348. Disney admits the allegations of Paragraph 348.

20 349. Disney denies that DPD has engaged in any infringing activities.

21 Disney denies all remaining allegations of Paragraph 349, and specifically denies
22 that it has committed any acts of infringement.

23 350. Disney denies that DPD has engaged in any infringing activities.

24 Disney denies all remaining allegations of Paragraph 350, and specifically denies
25 that it has committed any acts of infringement.

26 351. Disney denies all allegations of Paragraph 351, and specifically denies
27 that it has committed any acts of infringement.
28

1 352. Disney denies the allegations of Paragraph 352, and specifically denies
2 that it has committed any acts of infringement.

3 353. Disney denies the allegations of Paragraph 353, and specifically denies
4 that it has committed any acts of infringement.

5 354. Disney denies the allegations of Paragraph 354, and specifically denies
6 that it has committed any acts of infringement.

7 355. Disney admits the allegations of Paragraph 355.

8 356. Disney denies that DES has engaged in any infringing activities.

9 Disney denies all remaining allegations of Paragraph 356, and specifically denies
10 that it has committed any acts of infringement.

11 357. Disney denies that DES has engaged in any infringing activities.

12 Disney denies all remaining allegations of Paragraph 357, and specifically denies
13 that it has committed any acts of infringement.

14 358. Disney denies all allegations of Paragraph 358, and specifically denies
15 that it has committed any acts of infringement.

16 359. Disney denies the allegations of Paragraph 359, and specifically denies
17 that it has committed any acts of infringement.

18 360. Disney denies the allegations of Paragraph 360, and specifically denies
19 that it has committed any acts of infringement.

20 361. Disney denies the allegations of Paragraph 361, and specifically denies
21 that it has committed any acts of infringement.

22 362. Disney admits the allegations of Paragraph 362.

23 363. Disney denies that DDTC has engaged in any infringing activities.

24 Disney denies all remaining allegations of Paragraph 363, and specifically denies
25 that it has committed any acts of infringement.

26 364. Disney denies that DDTC has engaged in any infringing activities.

27 Disney denies all remaining allegations of Paragraph 364, and specifically denies
28 that it has committed any acts of infringement.

1 365. Disney denies all allegations of Paragraph 365, and specifically denies
2 that it has committed any acts of infringement.

3 366. Disney denies the allegations of Paragraph 366, and specifically denies
4 that it has committed any acts of infringement.

5 367. Disney denies the allegations of Paragraph 367, and specifically denies
6 that it has committed any acts of infringement.

7 368. Disney denies the allegations of Paragraph 368, and specifically denies
8 that it has committed any acts of infringement.

9 369. Disney denies the allegations of Paragraph 369.

10 370. Disney denies that BAMTech has engaged in any infringing activities.
11 Disney denies all remaining allegations of Paragraph 370, and specifically denies
12 that it has committed any acts of infringement.

13 371. Disney denies that BAMTech has engaged in any infringing activities.
14 Disney denies all remaining allegations of Paragraph 371, and specifically denies
15 that it has committed any acts of infringement.

16 372. Disney denies all allegations of Paragraph 372, and specifically denies
17 that it has committed any acts of infringement.

18 373. Disney denies the allegations of Paragraph 373, and specifically denies
19 that it has committed any acts of infringement.

20 374. Disney denies the allegations of Paragraph 374, and specifically denies
21 that it has committed any acts of infringement.

22 375. Disney denies the allegations of Paragraph 375, and specifically denies
23 that it has committed any acts of infringement.

24 376. Disney denies the allegations of Paragraph 376.

25 377. Disney denies that Hulu has engaged in any infringing activities.
26 Disney denies all remaining allegations of Paragraph 377, and specifically denies
27 that it has committed any acts of infringement.
28

1 378. Disney denies that Hulu has engaged in any infringing activities.

2 Disney denies all remaining allegations of Paragraph 378, and specifically denies
3 that it has committed any acts of infringement.

4 379. Disney denies all allegations of Paragraph 379, and specifically denies
5 that it has committed any acts of infringement.

6 380. Disney denies the allegations of Paragraph 380, and specifically denies
7 that it has committed any acts of infringement.

8 381. Disney denies the allegations of Paragraph 381, and specifically denies
9 that it has committed any acts of infringement.

10 382. Disney denies the allegations of Paragraph 382, and specifically denies
11 that it has committed any acts of infringement.

12 383. Disney denies the allegations of Paragraph 383.

13 384. Disney denies that ESPN has engaged in any infringing activities.

14 Disney denies all remaining allegations of Paragraph 384, and specifically denies
15 that it has committed any acts of infringement.

16 385. Disney denies that ESPN has engaged in any infringing activities.

17 Disney denies all remaining allegations of Paragraph 385, and specifically denies
18 that it has committed any acts of infringement.

19 386. Disney denies all allegations of Paragraph 386, and specifically denies
20 that it has committed any acts of infringement.

21 387. Disney denies the allegations of Paragraph 387, and specifically denies
22 that it has committed any acts of infringement.

23 388. Disney denies the allegations of Paragraph 388, and specifically denies
24 that it has committed any acts of infringement.

25 389. Disney denies the allegations of Paragraph 389, and specifically denies
26 that it has committed any acts of infringement.

27 390. Disney denies all allegations of Paragraph 390.

28

1 391. Disney denies all allegations of Paragraph 391, and specifically denies
2 that it has committed any acts of infringement.

3 392. Disney denies all allegations of Paragraph 392, and specifically denies
4 that it has committed any acts of infringement.

5 393. Disney denies all allegations of Paragraph 393, and specifically denies
6 that it has committed any acts of infringement.

7 **H. Disney Entertainment & Sports LLC's [Alleged] Vicarious Liability**

8 394. Disney denies the allegations of Paragraph 394, and specifically denies
9 that it has committed any acts of infringement.

10 395. Disney denies the allegations of Paragraph 395, and specifically denies
11 that it has committed any acts of infringement.

12 396. Disney denies the allegations of Paragraph 396, and specifically denies
13 that it has committed any acts of infringement.

14 397. Disney denies the allegations of Paragraph 397.

15 398. Disney denies that DPD has engaged in any infringing activities.

16 Disney denies all remaining allegations of Paragraph 398, and specifically denies
17 that it has committed any acts of infringement.

18 399. Disney denies that DPD has engaged in any infringing activities.

19 Disney denies all remaining allegations of Paragraph 399, and specifically denies
20 that it has committed any acts of infringement.

21 400. Disney denies all allegations of Paragraph 400, and specifically denies
22 that it has committed any acts of infringement.

23 401. Disney denies the allegations of Paragraph 401, and specifically denies
24 that it has committed any acts of infringement.

25 402. Disney denies the allegations of Paragraph 402, and specifically denies
26 that it has committed any acts of infringement.

27 403. Disney denies the allegations of Paragraph 403, and specifically denies
28 that it has committed any acts of infringement.

1 404. Disney denies the allegations of Paragraph 404.

2 405. Disney denies that DDTC has engaged in any infringing activities.

3 Disney denies all remaining allegations of Paragraph 405, and specifically denies
4 that it has committed any acts of infringement.

5 406. Disney denies that DDTC has engaged in any infringing activities.

6 Disney denies all remaining allegations of Paragraph 406, and specifically denies
7 that it has committed any acts of infringement.

8 407. Disney denies all allegations of Paragraph 407, and specifically denies
9 that it has committed any acts of infringement.

10 408. Disney denies the allegations of Paragraph 408, and specifically denies
11 that it has committed any acts of infringement.

12 409. Disney denies the allegations of Paragraph 409, and specifically denies
13 that it has committed any acts of infringement.

14 410. Disney denies the allegations of Paragraph 410, and specifically denies
15 that it has committed any acts of infringement.

16 411. Disney denies the allegations of Paragraph 411.

17 412. Disney denies that BAMTech has engaged in any infringing activities.

18 Disney denies all remaining allegations of Paragraph 412, and specifically denies
19 that it has committed any acts of infringement.

20 413. Disney denies that BAMTech has engaged in any infringing activities.

21 Disney denies all remaining allegations of Paragraph 413, and specifically denies
22 that it has committed any acts of infringement.

23 414. Disney denies all allegations of Paragraph 414, and specifically denies
24 that it has committed any acts of infringement.

25 415. Disney denies the allegations of Paragraph 415, and specifically denies
26 that it has committed any acts of infringement.

27 416. Disney denies the allegations of Paragraph 416, and specifically denies
28 that it has committed any acts of infringement.

1 417. Disney denies the allegations of Paragraph 417, and specifically denies
2 that it has committed any acts of infringement.

3 418. Disney denies the allegations of Paragraph 418.

4 419. Disney denies that Hulu has engaged in any infringing activities.
5 Disney denies all remaining allegations of Paragraph 419, and specifically denies
6 that it has committed any acts of infringement.

7 420. Disney denies that Hulu has engaged in any infringing activities.
8 Disney denies all remaining allegations of Paragraph 420, and specifically denies
9 that it has committed any acts of infringement.

10 421. Disney denies all allegations of Paragraph 421, and specifically denies
11 that it has committed any acts of infringement.

12 422. Disney denies the allegations of Paragraph 422, and specifically denies
13 that it has committed any acts of infringement.

14 423. Disney denies the allegations of Paragraph 423, and specifically denies
15 that it has committed any acts of infringement.

16 424. Disney denies the allegations of Paragraph 424, and specifically denies
17 that it has committed any acts of infringement.

18 425. Disney denies the allegations of Paragraph 425.

19 426. Disney denies that ESPN has engaged in any infringing activities.
20 Disney denies all remaining allegations of Paragraph 426, and specifically denies
21 that it has committed any acts of infringement.

22 427. Disney denies that ESPN has engaged in any infringing activities.
23 Disney denies all remaining allegations of Paragraph 427, and specifically denies
24 that it has committed any acts of infringement.

25 428. Disney denies all allegations of Paragraph 428, and specifically denies
26 that it has committed any acts of infringement.

27 429. Disney denies the allegations of Paragraph 429, and specifically denies
28 that it has committed any acts of infringement.

1 430. Disney denies the allegations of Paragraph 430, and specifically denies
2 that it has committed any acts of infringement.

3 431. Disney denies the allegations of Paragraph 431, and specifically denies
4 that it has committed any acts of infringement.

5 432. Disney denies all allegations of Paragraph 432.

6 433. Disney denies all allegations of Paragraph 433, and specifically denies
7 that it has committed any acts of infringement.

8 434. Disney denies all allegations of Paragraph 434, and specifically denies
9 that it has committed any acts of infringement.

10 435. Disney denies all allegations of Paragraph 435, and specifically denies
11 that it has committed any acts of infringement.

12 **I. ESPN, Inc.'s [Alleged] Vicarious Liability**

13 436. Disney denies the allegations of Paragraph 436, and specifically denies
14 that it has committed any acts of infringement.

15 437. Disney denies the allegations of Paragraph 437, and specifically denies
16 that it has committed any acts of infringement.

17 438. Disney denies the allegations of Paragraph 438, and specifically denies
18 that it has committed any acts of infringement.

19 439. Disney admits the allegations of Paragraph 439.

20 440. Disney denies that BAMTech has engaged in any infringing activities.
21 Disney denies all remaining allegations of Paragraph 440, and specifically denies
22 that it has committed any acts of infringement.

23 441. Disney denies that BAMTech has engaged in any infringing activities.
24 Disney denies all remaining allegations of Paragraph 441, and specifically denies
25 that it has committed any acts of infringement.

26 442. Disney denies all allegations of Paragraph 442, and specifically denies
27 that it has committed any acts of infringement.
28

1 443. Disney denies the allegations of Paragraph 443, and specifically denies
2 that it has committed any acts of infringement.

3 444. Disney denies the allegations of Paragraph 444, and specifically denies
4 that it has committed any acts of infringement.

5 445. Disney denies the allegations of Paragraph 445, and specifically denies
6 that it has committed any acts of infringement.

7 446. Disney denies all allegations of Paragraph 446.

8 447. Disney denies all allegations of Paragraph 447, and specifically denies
9 that it has committed any acts of infringement.

10 448. Disney denies all allegations of Paragraph 448, and specifically denies
11 that it has committed any acts of infringement.

12 449. Disney denies all allegations of Paragraph 449, and specifically denies
13 that it has committed any acts of infringement.

14 **J. Defendants' Actions to Directly Infringe**

15 450. Disney denies all allegations of Paragraph 450, and specifically denies
16 that it has committed any acts of infringement.

17 451. Disney denies all allegations of Paragraph 451, and specifically denies
18 that it has committed any acts of infringement.

19 452. Disney denies all allegations of Paragraph 452, and specifically denies
20 that it has committed any acts of infringement.

21 453. Disney denies all allegations of Paragraph 453, and specifically denies
22 that it has committed any acts of infringement.

23 454. Disney denies all allegations of Paragraph 454, and specifically denies
24 that it has committed any acts of infringement.

25 455. Disney denies all allegations of Paragraph 455, and specifically denies
26 that it has committed any acts of infringement.

27 456. Disney denies all allegations of Paragraph 456, and specifically denies
28 that it has committed any acts of infringement.

1 457. Disney denies all allegations of Paragraph 457, and specifically denies
2 that it has committed any acts of infringement.

3 458. Disney denies all allegations of Paragraph 458, and specifically denies
4 that it has committed any acts of infringement.

5 459. Disney denies all allegations of Paragraph 459, and specifically denies
6 that it has committed any acts of infringement.

7 460. Disney denies all allegations of Paragraph 460, and specifically denies
8 that it has committed any acts of infringement.

9 461. Disney denies all allegations of Paragraph 461, and specifically denies
10 that it has committed any acts of infringement.

11 462. Disney denies all allegations of Paragraph 462, and specifically denies
12 that it has committed any acts of infringement.

13 463. Disney denies all allegations of Paragraph 463, and specifically denies
14 that it has committed any acts of infringement.

15 464. Disney denies all allegations of Paragraph 464, and specifically denies
16 that it has committed any acts of infringement.

17 465. Disney denies all allegations of Paragraph 465, and specifically denies
18 that it has committed any acts of infringement.

19 466. Disney denies all allegations of Paragraph 466, and specifically denies
20 that it has committed any acts of infringement.

21 467. Disney denies all allegations of Paragraph 467, and specifically denies
22 that it has committed any acts of infringement.

23 **COUNT 1: [ALLEGED] INFRINGEMENT OF U.S. PATENT NO. 8,406,301**

24 468. Disney repeats and incorporates by reference the responses to
25 Paragraphs 1 through 467 above as though fully set forth herein.

26 469. Disney admits that the cover page of U.S. Patent No. 8,406,301 (the
27 “’301 Patent”) states that its title is “Adaptive Weighting of Reference Pictures in
28 Video Encoding,” it issued on March 26, 2013, and that Jill MacDonald Boyce is

1 named as the inventor. Disney admits that Exhibit A.1 purports to be a copy of the
2 '301 Patent. Disney denies all remaining allegations of Paragraph 469.

3 470. Disney lacks sufficient knowledge or information on which to form a
4 belief as to the allegations of Paragraph 470 and, on that basis, denies them.

5 471. Disney denies all allegations of Paragraph 471.

6 **The '301 Patent**

7 472. Disney admits the '301 Patent states at column 1, lines 32 to 35, "The
8 more closely that the prediction is correlated with the current picture, the fewer bits
9 that are needed to compress that picture, thereby increasing the efficiency of the
10 process." Disney further admits the '301 Patent states at column 1, lines 37 to 42,
11 "In many video compression standards, including Moving Picture Experts Group
12 ('MPEG')-1, MPEG-2 and MPEG-4, a motion compensated version of a previous
13 reference picture is used as a prediction for the current picture, and only the
14 difference between the current picture and the prediction is coded. When a single
15 picture prediction ('P' picture) is used, the reference picture is not scaled when the
16 motion compensated prediction is formed." Disney denies all remaining allegations
17 of Paragraph 472.

18 473. Disney admits the '301 Patent states at column 1, lines 37 to 57:

19 In many video compression standards, including
20 Moving Picture Experts Group ("MPEG")-1, MPEG-2
21 and MPEG-4, a motion compensated version of a previous
22 reference picture is used as a prediction for the current
23 picture, and only the difference between the current
24 picture and the prediction is coded. When a single picture
25 prediction ("P" picture) is used, the reference picture is not
26 scaled when the motion compensated prediction is formed.
27 When bidirectional picture predictions ("B" pictures) are
28 used, intermediate predictions are formed from two

1 different pictures, and then the two intermediate
2 predictions are averaged together, using equal weighting
3 factors of ($\frac{1}{2}$, $\frac{1}{2}$) for each, to form a single averaged
4 prediction. In these MPEG standards, the two reference
5 pictures are always one each from the forward direction
6 and the backward direction for B pictures.

7 SUMMARY OF THE INVENTION

8 These and other drawbacks and disadvantages of
9 the prior art are addressed by a system and method for
10 adaptive weighting of reference pictures in video coders
11 and decoders.

12 Disney admits the '301 Patent states at column 2, lines 42 to 46, "In some
13 video sequences, in particular those with fading, the current picture or image block
14 to be coded is more strongly correlated to a reference picture scaled by a weighting
15 factor than to the reference picture itself."

16 Disney admits the '301 Patent states at column 3, lines 17 to 46:

17 Two methods have been proposed for indication of
18 weighting factors. In the first, the weighting factors are
19 determined by the directions that are used for the reference
20 pictures. In this method, if the ref_idx_10 index is less
21 than or equal to ref_idx_11, weighting factors of ($\frac{1}{2}$, $\frac{1}{2}$) are
22 used, otherwise (2, -1) factors are used.

23 In the second method offered, any number of
24 weighting factors is transmitted for each slice. Then a
25 weighting factor index is transmitted for each motion
26 block or 8×8 region of a macroblock that uses bidirectional
27 prediction. The decoder uses the received weighting
28 factor index to choose the appropriate weighting factor,

1 from the transmitted set, to use when decoding the motion
2 block or 8×8 region. For example, if three weighting
3 factors were sent at the slice layer, they would correspond
4 to weight factor indices 0, 1 and 2, respectively.

5 The following description merely illustrates the
6 principles of the invention. It will thus be appreciated that
7 those skilled in the art will be able to devise various
8 arrangements that, although not explicitly described or
9 shown herein, embody the principles of the invention and
10 are included within its spirit and scope. Furthermore, all
11 examples and conditional language recited herein are
12 principally intended expressly to be only for pedagogical
13 purposes to aid the reader in understanding the principles
14 of the invention and the concepts contributed by the
15 inventor to furthering the art, and are to be construed as
16 being without limitation to such specifically recited
17 examples and conditions. Moreover, all statements herein
18 reciting principles, aspects, and embodiments of the
19 invention, as well as specific examples thereof, are
20 intended to encompass both structural and functional
21 equivalents thereof.

22 Disney denies all remaining allegations of Paragraph 473.

23 474. Disney admits the '301 Patent states at column 7, line 64 to column 8,
24 line 2, "In the present embodiment, the weighting factor index for each motion
25 block or 8×8 region is not explicitly transmitted. Instead, the weighting factor that
26 is associated with the transmitted reference picture index is used. This dramatically
27 reduces the amount of overhead in the transmitted bitstream to allow adaptive
28 weighting of reference pictures." Disney admits the '301 Patent states at column 8,

1 lines 59 to 65, “The weighting factor adapts for individual motion blocks within a
2 picture, based on the reference picture index that is used for that motion block.
3 Because the reference picture index is already transmitted in the compressed video
4 bitstream, the additional overhead to adapt the weighting factor on a motion block
5 basis is dramatically reduced.” Disney admits Paragraph 474 appears to reproduce
6 figure 5 of the ’301 Patent. Disney denies all remaining allegations of Paragraph
7 474.

8 475. Disney admits the ’301 Patent states at column 2, lines 29 to 31, “FIG.
9 5 shows a block diagram for a video encoder with reference picture weighting in
10 accordance with the principles of the present invention.” Disney admits the ’301
11 Patent states at column 5, lines 57 to 59, “Turning to FIG. 5, a video encoder with
12 reference picture weighting is indicated generally by the reference numeral 500.”
13 Disney admits the ’301 Patent states at column 6, lines 6 to 16, “A first output of
14 the reference picture store 570 is connected in signal communication with a first
15 input of a reference picture weighting factor assignor 572. The input to the encoder
16 500 is further connected in signal communication with a second input of the
17 reference picture weighting factor assignor 572. The output of the reference picture
18 weighting factor assignor 572, which is indicative of a weighting factor, is
19 connected in signal communication with a first input of a motion estimator 580. A
20 second output of the reference picture store 570 is connected in signal
21 communication with a second input of the motion estimator 580.” Disney denies
22 all remaining allegations of Paragraph 475.

23 476. Disney admits the ’301 Patent states at column 6, lines 17 to 30, “The
24 input to the encoder 500 is further connected in signal communication with a third
25 input of the motion estimator 580. The output of the motion estimator 580, which
26 is indicative of motion vectors, is connected in signal communication with a first
27 input of a motion compensator 590. A third output of the reference picture store
28 570 is connected in signal communication with a second input of the motion

1 compensator 590. The output of the motion compensator 590, which is indicative
2 of a motion compensated reference picture, is connected in signal communication
3 with a first input of a multiplier 592. The output of the reference picture weighting
4 factor assignor 572, which is indicative of a weighting factor, is connected in signal
5 communication with a second input of the multiplier 592.” Disney admits
6 Paragraph 476 appears to reproduce figure 7 of the ’301 Patent. Disney denies all
7 remaining allegations of Paragraph 476.

8 477. Disney admits the ’301 Patent states at column 2, lines 34 to 35, “FIG.
9 7 shows a flowchart for an encoding process in accordance with the principles of
10 the present invention.” Disney admits the ’301 Patent states at column 6, line 61 to
11 column 7, line 28:

12 The input block 712 receives substantially uncompressed
13 image block data, and passes control to a function block
14 714. The function block 714 assigns a weighting factor
15 for the image block corresponding to a particular reference
16 picture having a corresponding index. The function block
17 714 passes control to an optional function block 715. The
18 optional function block 715 assigns an offset for the image
19 block corresponding to a particular reference picture
20 having a corresponding index. The optional function
21 block 715 passes control to a function block 716, which
22 computes motion vectors corresponding to the difference
23 between the image block and the particular reference
24 picture, and passes control to a function block 718. The
25 function block 718 motion compensates the particular
26 reference picture in correspondence with the motion
27 vectors, and passes control to a function block 720. The
28 function block 720, in turn, multiplies the motion

1 compensated reference picture by the assigned weighting
2 factor to form a weighted motion compensated reference
3 picture, and passes control to an optional function block
4 721. The optional function block 721, in turn, adds the
5 motion compensated reference picture to the assigned
6 offset to form a weighted motion compensated reference
7 picture, and passes control to a function block 722. The
8 function block 722 subtracts the weighted motion
9 compensated reference picture from the substantially
10 uncompressed image block, and passes control to a
11 function block 724. The function block 724, in turn,
12 encodes a signal with the difference between the
13 substantially uncompressed image block and the weighted
14 motion compensated reference picture along with the
15 corresponding index of the particular reference picture,
16 and passes control to an end block 726.

17 Disney denies all remaining allegations of Paragraph 477.

18 478. Disney admits the '301 Patent states at column 3, lines 51 to 54,
19 "Thus, for example, it will be appreciated by those skilled in the art that the block
20 diagrams herein represent conceptual views of illustrative circuitry embodying the
21 principles of the invention." Disney admits the '301 Patent states at column 3, line
22 60 to column 4, line 13, "The functions of the various elements shown in the
23 figures may be provided through the use of dedicated hardware as well as hardware
24 capable of executing software in association with appropriate software. When
25 provided by a processor, the functions may be provided by a single dedicated
26 processor, by a single shared processor, or by a plurality of individual processors,
27 some of which may be shared. Moreover, explicit use of the term 'processor' or
28 'controller' should not be construed to refer exclusively to hardware capable of

1 executing software, and may implicitly include, without limitation, digital signal
2 processor ('DSP') hardware, read-only memory ('ROM') for storing software,
3 random access memory ('RAM'), and non-volatile storage." Disney denies all
4 remaining allegations of Paragraph 478.

5 479. Disney denies all allegations of Paragraph 479.

6 480. Disney denies all allegations of Paragraph 480.

7 **The '301 Patent Allegations**

8 481. Disney denies all allegations of Paragraph 481, and specifically denies
9 that it has committed any acts of infringement.

10 482. Disney denies all allegations of Paragraph 482, and specifically denies
11 that it has committed any acts of infringement.

12 483. Disney denies all allegations of Paragraph 483, and specifically denies
13 that it has committed any acts of infringement.

14 484. Disney denies all allegations of Paragraph 484, and specifically denies
15 that it has committed any acts of infringement.

16 485. Disney denies all allegations of Paragraph 485, and specifically denies
17 that it has committed any acts of infringement.

18 486. Disney denies all allegations of Paragraph 486, and specifically denies
19 that it has committed any acts of infringement.

20 **COUNT 2: [ALLEGED] INFRINGEMENT OF U.S. PATENT NO. 10,805,610**

21 487. Disney repeats and incorporates by reference the responses to
22 Paragraphs 1 through 486 above as though fully set forth herein.

23 488. Disney admits that the cover page of U.S. Patent No. 10,805,610 (the
24 "'610 Patent") states that its title is "Methods and Systems for Intra Coding a Block
25 having Pixels Assigned to Groups," it issued on October 13, 2020, and that Qian
26 Xu, Joel Sole, Peng Yin, Yunfi Zheng, and Xiaoan Lu are named as the inventors.
27 Disney admits that Exhibit B.1 purports to be a copy of the '610 Patent. Disney
28 denies all remaining allegations of Paragraph 488.

1 489. Disney lacks sufficient knowledge or information on which to form a
2 belief as to the allegations of Paragraph 489 and, on that basis, denies them.

3 490. Disney denies all allegations of Paragraph 490.

4 **The '610 Patent**

5 491. Disney admits the '610 Patent states at the Abstract, "Methods and
6 apparatus are provided for intra coding a block having pixels assigned to groups."
7 Disney admits the '610 Patent states at column 1, lines 21 to 26, "Intra blocks make
8 use of existing redundancy in spatial correlation to improve video coding
9 efficiency. How to effectively utilize spatial correlation is fundamental to the
10 efficiency of current video codecs for intra coding. It is observed that the
11 correlation between pixels decreases with the spatial distance. In current state-of-
12 the art coding standards such as, for example, the International Organization for
13 Standardization/International Electrotechnical Commission (ISO/IEC) Moving
14 Picture Experts Group-4 (MPEG-4) Part 10 Advanced Video Coding (AVC)
15 Standard/International Telecommunication Union, Telecommunication Sector
16 (ITU-T) H.264 Recommendation (hereinafter the 'MPEG-4 AVC Standard'), only
17 the encoded pixels above or to the left of the current block are used as its predictors,
18 which may be quite far from the bottom right pixels to be predicted." Disney
19 denies all remaining allegations of Paragraph 491.

20 492. Disney admits the '610 Patent states at column 1, lines 39 to 41, "In
21 addition, extrapolation is used instead of interpolation because of the limitation of
22 causality." Disney admits the '610 Patent states at column 2, line 66 through
23 column 3, line 6, "The spatial distance between the pixels serving as predictions
24 (which we call predictor pixels) and the pixels being predicted (which we call
25 predicted pixels), especially the ones on the bottom right of the current block, can
26 be large. With a large spatial distance, the correlation between pixels can be low,
27 and the residue signals can be large after prediction, which affects the coding
28 efficiency." Disney denies all remaining allegations of Paragraph 492.

1 493. Disney admits the '610 Patent states at column 3, lines 11 to 16,
2 “When a macroblock is coded in planar mode, its bottom-right sample is signaled in
3 the bitstream, the rightmost and bottom samples of the macroblock are linearly
4 interpolated, and the middle samples are bi-linearly interpolated from the border
5 samples.” Disney admits the '610 Patent states at column 3, lines 23 to 26,
6 “Although the new planar prediction method exploits some spatial correlation with
7 the bottom-right sample, the prediction accuracy of the right and bottom pixels are
8 still quite limited.” Disney admits the '610 Patent states at column 3, lines 30 to
9 33, “These and other drawbacks and disadvantages of the prior art are addressed by
10 the present principles, which are directed to methods and apparatus for intra coding
11 a block having pixels assigned to groups.” Disney admits Paragraph 493 appears to
12 reproduce Fig. 7 of the '610 Patent. Disney denies all remaining allegations of
13 Paragraph 493.

14 494. Disney admits the '610 Patent states at column 4, lines 30 to 32, “FIG.
15 7 is a diagram showing an exemplary grouping of pixels within a block, in
16 accordance with an embodiment of the present principles.” Disney admits the '610
17 Patent states at column 8, lines 19 to 26, “In an embodiment, for an intra block, we
18 divide pixels within the block into at least two groups. One of the groups of pixels
19 in the block is encoded. In an embodiment, this initial group being encoded may
20 include, for example, the rightmost columns and/or the bottom rows of the block.
21 The reconstructed pixels are then considered together with the pixels in the
22 neighboring blocks that are already encoded to predict pixels in the second group.”
23 Disney admits the '610 Patent states at column 9, lines 7 to 37:

24 Further, it is to be appreciated that the groups of
25 pixels within the block may be divided in any manner
26 desired and found to be effective. That is, it is to be
27 appreciated that the present principles are not limited to
28 any particular block segmenting process and, thus, any

1 block segmenting process may be used in accordance with
2 teachings of the present principles provided herein, while
3 maintaining the spirit of the present principles.

4 Encoding of the First Group

5 For the first group of pixels, the encoder generates
6 the prediction based on neighboring encoded pixels using
7 the DC/plane prediction method or some directional
8 prediction methods, and then calculates the prediction
9 residue. In one embodiment, the residue is coded in
10 frequency domain, i.e., the residue is transformed,
11 quantized and entropy coded before being sent to the
12 decoder. In another embodiment, the residue is coded in
13 the spatial domain, i.e., the residue is quantized and
14 entropy coded before being sent to the decoder. In yet
15 another embodiment, the residue is coded using adaptive
16 prediction error coding (APEC), which performs rate
17 distortion optimization and decides whether to code in the
18 spatial or the frequency domain.

19 Encoding of the Second Group

20 After the first group is encoded, the encoder can use pixels
21 in the already encoded blocks (for example, the upper and
22 left neighboring blocks) and the pixels in the already
23 coded first group to derive the prediction mode for the rest
24 of the block. For example, in FIG. 7, the encoder can
25 detect the edge across the upper block and the bottom row
26 based on the neighboring blocks and the coded first group.
27 Hence, the prediction direction will be along the edge
28 direction.

1 Disney denies all remaining allegations of Paragraph 494.

2 495. Disney admits the '610 Patent states at column 8, lines 26 to 36:

3 The reconstructed pixels are then considered
4 together with the pixels in the neighboring blocks that are
5 already encoded to predict pixels in the second group.
6 With a larger set of predictor pixels existing in more
7 directions, the prediction of the second group of pixels is
8 improved and so is the coding efficiency. In addition, we
9 improve coding efficiency by using interpolation instead
10 of extrapolation.

11 Specifically, in accordance with an embodiment of
12 the present principles, the prediction accuracy of the
13 second group can be improved, as the pixels serving as
14 predictors (called predictor pixels) for the second group
15 include reconstructed pixels of the first group, which are
16 of shorter spatial distances from the pixels being predicted.

17 Disney admits the '610 Patent states at column 9, lines 37-40, "Interpolation
18 will be performed with the upper/left block and the bottom row/right column
19 instead of extrapolating from the upper block only." Disney admits Paragraph 495
20 appears to reproduce Fig. 5 of the '610 Patent. Disney denies all remaining
21 allegations of Paragraph 495.

22 496. Disney admits the '610 Patent states at column 4, lines 24 to 26, "FIG.
23 5 is a block diagram showing an exemplary video encoder...." Disney admits
24 Paragraph 496 appears to reproduce Fig. 8 of the '610 Patent. Disney denies all
25 remaining allegations of Paragraph 496.

26 497. Disney admits the '610 Patent states at column 4, lines 33 to 36, "FIG.
27 8 is a flow diagram showing an exemplary method for intra coding a block having
28

1 pixels assigned to groups.” Disney admits the ’610 Patent states at column 10, lines
2 3 to 34:

3 The method 800 includes a start block 805 that
4 passes control to a function block 810. The function block
5 810 performs an encoding setup, and passes control to a
6 loop limit block 815. The loop limit block 815 loops over
7 each block (e.g., in a current picture being encoded), and
8 passes control to a function block 820. The function block
9 820 derives the grouping method or selects the best
10 grouping method, signals the grouping method to the
11 decoder, and passes control to a function block 825. The
12 function block 825 predicts pixels within the first group,
13 and passes control to a function block 830. The function
14 block 830 encodes the residue for pixels in the first group
15 in the spatial domain or the frequency domain or using
16 adaptive prediction error coding (APEC), and passes
17 control to a function block 835. The function block 835
18 derives the prediction mode or selects and signals the best
19 prediction mode for pixels in the second group, and passes
20 control to a function block 840. The function block 840
21 predicts pixels in the second group, and passes control to
22 a function block 845. The function block 845, for the
23 second group, sets the prediction as the reconstruction or
24 encodes the residue for the second group or both groups
25 (in the spatial domain or the frequency domain or using
26 APEC), and passes control to a function block 850. The
27 function block 850 refines the reconstruction (e.g., using a
28 quantization constraint set (QCS)) if the residue for pixels

1 in the first group is encoded twice, and passes control to a
2 loop limit block 855. The loop limit block 855 ends the
3 loop over the blocks, and passes control to a function block
4 860. The function block 860 performs deblocking filtering
5 on block boundaries and group boundaries, and passes
6 control to an end block 899.

7 Disney denies all remaining allegations of Paragraph 497.

8 498. Disney admits the '610 Patent states at column 4, line 64 to column 5,
9 line 9:

10 Thus, for example, it will be appreciated by those
11 skilled in the art that the block diagrams presented herein
12 represent conceptual views of illustrative circuitry
13 embodying the present principles. Similarly, it will be
14 appreciated that any flow charts, flow diagrams, state
15 transition diagrams, pseudocode, and the like represent
16 various processes which may be substantially represented
17 in computer readable media and so executed by a
18 computer or processor, whether or not such computer or
19 processor is explicitly shown.

20 The functions of the various elements shown in the
21 figures may be provided through the use of dedicated
22 hardware as well as hardware capable of executing
23 software in association with appropriate software.

24 Disney denies all remaining allegations of Paragraph 498.

25 499. Disney denies all allegations of Paragraph 499.

26 500. Disney denies all allegations of Paragraph 500.

The '610 Patent Allegations

501. Disney denies all allegations of Paragraph 501, and specifically denies that it has committed any acts of infringement.

502. Disney denies all allegations of Paragraph 502, and specifically denies that it has committed any acts of infringement.

503. Disney denies all allegations of Paragraph 503, and specifically denies that it has committed any acts of infringement.

504. Disney denies all allegations of Paragraph 504, and specifically denies that it has committed any acts of infringement.

505. Disney denies all allegations of Paragraph 505, and specifically denies that it has committed any acts of infringement.

506. Disney denies all allegations of Paragraph 506, and specifically denies that it has committed any acts of infringement.

COUNT 3: [ALLEGED] INFRINGEMENT OF U.S. PATENT NO. 11,381,818

507. Disney repeats and incorporates by reference the responses to Paragraphs 1 through 506 above as though fully set forth herein.

508. Disney admits that the cover page of U.S. Patent No. 11,381,818 (the "'818 Patent) states that its title is "Methods and Apparatus for Determining Quantization Parameter Predictors from a Plurality of Neighboring Quantization Parameters," it issued on July 5, 2022, and that Xiaoan Lu, Joel Sole, Peng Yin, Qian Xu, and Yunfei Zheng are named as the inventors. Disney admits that Exhibit C.1 purports to be a copy of the '818 Patent. Disney denies all remaining allegations of Paragraph 508.

509. Disney lacks sufficient knowledge or information on which to form a belief as to the allegations of Paragraph 509 and, on that basis, denies them.

510. Disney denies all allegations of Paragraph 510.

The '818 Patent

511. Disney admits the '818 Patent states at column 1, lines 18 to 21, “[t]he present principles relate generally to video encoding and decoding and, more particularly, to methods and apparatus for determining quantization parameter predictors from a plurality of neighboring quantization parameters.” Disney admits the '818 Patent states at column 1, line 62 to column 2, line 10:

The quantization process in a video encoder controls the number of encoded bits and the quality. It is common to adjust the quality through adjusting the quantization parameters (QPs). The quantization parameters may include the quantization step size, rounding offset, and scaling matrix. In the International Organization for Standardization/International Electrotechnical Commission (ISO/IEC) Moving Picture Experts Group-4 (MPEG-4) Part 10 Advanced Video Coding (AVC) Standard/International Telecommunication Union, Telecommunication Sector (ITU-T) H.264 Recommendation (hereinafter the “MPEG-4 AVC Standard”), the quantization parameter values can be adjusted on a slice or macroblock (MB) level. The encoder has the flexibility to tune quantization parameters and signal the adjustment to the decoder. The quantization parameter signaling requires an overhead cost.

Disney denies all remaining allegations of Paragraph 511.

512. Disney admits the '818 Patent states at column 2, lines 25 to 30, “At the macroblock layer, the value of QP is derived as follows:

$$QP_Y = QP_{Y,PREV} + mb_qp_delta, \quad (2)$$

1 where $QP_{Y,PREV}$ is the quantization parameter of the previous macroblock in the
2 decoding order in the current slice.” Disney admits the ’818 Patent states at column
3 4, lines 29 to 40, “Thus, in method 100, a single QP, namely the slice QP
4 ($SliceQP_Y$), is used as the predictor for the QP to be encoded. Regarding function
5 block 120, the QP for a coding unit is adjusted based on its content and/or the
6 previous encoding results. For example, a smooth coding unit will lower the QP to
7 improve the perceptual quality. In another example, if the previous coding units
8 use more bits than the assigned ones, then the current coding unit will increase the
9 QP to consume fewer bits than what is originally assigned. The difference between
10 the QP for the current coding unit (QP_{CU}) and the QP predictor, $SliceQP_Y$, in this
11 example, is encoded (per function block 125).” Disney denies all remaining
12 allegations of Paragraph 512.

13 513. Disney admits the ’818 Patent states at column 5, lines 3 to 8, “The
14 quantization parameter predictor is determined using multiple quantization
15 parameters from previously coded neighboring portions. A difference between the
16 current quantization parameter and the quantization parameter predictor is encoded
17 for signaling to a corresponding decoder.” Disney admits the ’818 Patent states at
18 column 10, lines 45 to 47, “One benefit of this scheme over prior schemes is the
19 reduction of overhead needed for signaling quantization parameters to the decoder.”
20 Disney denies all remaining allegations of Paragraph 513.

21 514. Disney admits the ’818 Patent states at column 11, lines 47 to 58,
22 “Providing high perceptual quality at the region of interest has a pronounced impact
23 in the overall perceptual quality. Hence a general guideline in the QP adjustment is
24 to assign lower QPs to the regions of interest to improve the perceptual quality and
25 higher QPs to other areas to reduce the number of bits. Since the picture content
26 has great continuity, the QPs for neighboring coding units are often correlated. In
27 the prior art, the correlation between the current QP and the QP of the previously
28 coded block is exploited. Since the QP can also correlate to QPs from other

1 neighboring blocks, we improve the QP predictor by considering more QPs.”
2 Disney admits the ’818 Patent states at column 12, lines 13 to 19, “If not all the
3 coding units (A, B, C) are available, we can replace their QPs with the SliceQP_Y, or
4 only use the available QPs to form the predictor. For example, when coding unit A
5 is unavailable, Rule 2 becomes $Q_{PPRED} = \min(QP_B, QP_C)$. In another example, when
6 not all coding units are available, we can replace the missing QPs with QPs of other
7 blocks, for example using block D to replace block C.” Disney denies all
8 remaining allegations of Paragraph 514.

9 515. Disney denies all allegations of Paragraph 515.

10 516. Disney denies all allegations of Paragraph 516.

11 **The ’818 Patent Allegations**

12 517. Disney denies all allegations of Paragraph 517, and specifically denies
13 that it has committed any acts of infringement.

14 518. Disney denies all allegations of Paragraph 518, and specifically denies
15 that it has committed any acts of infringement.

16 519. Disney denies all allegations of Paragraph 519, and specifically denies
17 that it has committed any acts of infringement.

18 520. Disney denies all allegations of Paragraph 520, and specifically denies
19 that it has committed any acts of infringement.

20 521. Disney denies all allegations of Paragraph 521, and specifically denies
21 that it has committed any acts of infringement.

22 522. Disney denies all allegations of Paragraph 522, and specifically denies
23 that it has committed any acts of infringement.

24 **COUNT 4: [ALLEGED] INFRINGEMENT OF U.S. PATENT NO. 9,185,268**

25 523. Disney repeats and incorporates by reference the responses to
26 Paragraphs 1 through 522 above as though fully set forth herein.

27 524. Disney admits that the cover page of U.S. Patent No. 9,185,268 (the
28 “’268 Patent”) states that its title is “Methods and Systems for Displays with

1 Chromatic Correction with Differing Chromatic Ranges,” it issued on November
2 10, 2015, and that Ingo Tobias Doser, Jurgen Stauder, and Bongsun Lee are named
3 as the inventors. Disney admits that Exhibit D.1 purports to be a copy of the ’268
4 Patent. Disney denies all remaining allegations of Paragraph 524.

5 525. Disney lacks sufficient knowledge or information on which to form a
6 belief as to the allegations of Paragraph 525 and, on that basis, denies them.

7 526. Disney denies all allegations of Paragraph 526.

8 **The ’268 Patent**

9 527. Disney admits the ’268 Patent states at column 1, lines 15 to 29, “In
10 today’s motion picture industry, colors of motion picture content are mostly graded
11 for displays with a single color gamut defined by cathode ray tube (CRT) phosphor
12 colors, corresponding to either the European Broadcasting Union (EBU) or the
13 Society of Motion Picture and Television Engineers color standard (SMPTE-C) for
14 Standard Definition, and the International Telecommunication Union (ITU) 709
15 colors for High Definition. These are the current standards for use in determining
16 the reference color gamut (RCG) for displays. However, displays with non-
17 standard color gamuts are currently prevalent among consumers of motion picture
18 content. When editing the colors of a picture on a display with a reference color
19 gamut other than the color gamut of the target display, the resultant colors may look
20 dissatisfying on the target display.” Disney admits the ’268 Patent states at column
21 1, lines 31 to 44:

22 The first case relates to consumer displays having
23 color gamuts roughly the same size as the reference
24 display, but the display primaries are not equal to the
25 display primaries of the reference display during content
26 creation. In such circumstances, it is desirable to ensure
27 that the colors can be accurately represented on the
28 consumer displays.

1 The second case relates to the current existence of
2 wide gamut color displays being utilized in the field. In
3 such circumstances, no methods exist to color correct
4 consumer displays with respect to these wide gamut color
5 displays. For example, such consumer displays may use a
6 different reference color gamut but may or may not be
7 capable of even displaying colors in accordance with the
8 wide gamut color standards.

9 Disney denies all remaining allegations of Paragraph 527.

10 528. Disney admits the '268 Patent states at column 1, line 60 to column 2,
11 line 6:

12 The color gamut of a display is determined by the display
13 technology chosen. At this moment, a consumer has the
14 choice between the following technologies (also referred
15 to herein as 'display type') including, for example, liquid
16 crystal display (LCD), Plasma, cathode ray tube (CRT),
17 digital light processing (DLP), and silicon crystal
18 reflective display (SXRD). However, there can be
19 significant differences between different display
20 technologies, as well as between two representatives of the
21 same display technology. For example, two liquid crystal
22 display sets can be equipped with different sets of light
23 sources. One of these sets of light sources may be cold
24 cathode fluorescent lights (CCFL), where the color gamut
25 mainly depends on the phosphors used.

26 Disney admits the '268 Patent states at column 2, lines 10 to 20:

27 A fourth output of the decoder controller 405 is
28 connected in signal communication with a second input of

1 the intra prediction module 460, a first input of the motion
2 compensator 470, and a second input of the reference
3 picture buffer 480.

4 An output of the motion compensator 470 is
5 connected in a signal communication with a first input of
6 a switch 497. An output of the intra prediction module
7 460 is connected in a signal communication with a second
8 input of the switch 497. An output of the switch 497 is
9 connected in signal communication with a first non-
10 inverting input of the combiner 425.

11 Disney admits the '268 Patent states at column 2, lines 50 to 51, "At the
12 same time, there is significant variation in the color gamuts used in various displays
13 currently available." Disney admits the '268 Patent states at column 2, lines 56 to
14 63, "Turning to FIG. 1, color gamut measurements of currently available displays
15 are indicated. It is to be noted that none of the color gamuts of the various available
16 displays are equal to the reference color gamut of the source material which, in this
17 example, corresponds to ITU-R Bt. 709." Disney admits Paragraph 528 appears to
18 reproduce Fig. 1 of the '268 Patent. Disney denies all remaining allegations of
19 Paragraph 528.

20 529. Disney admits the '268 Patent states at column 2, lines 29 to 40, "With
21 the advent of wide gamut displays, it has become possible to display a wider range
22 of colors than was previously possible. The current video content on digital video
23 disks (DVD's), television broadcasts, and/or via video over Internet Protocol
24 (VoIP), are encoded in a color space with a reference color gamut and, thus, follow
25 the rules that were set many years ago when wide gamut color display was not
26 feasible. In fact, until recently it was difficult to achieve a reproduction even of the
27 current reference color gamut. As it looks today, the situation has changed. An
28

1 extended color gamut is feasible and there is a desire to utilize the wider color
2 gamut.” Disney denies all remaining allegations of Paragraph 529.

3 530. Disney admits the ’268 Patent states at column 3, lines 1 to 20:

4 Additionally, current displays seem to simply
5 replace the reference color primaries specified by the
6 applicable standard by the color primaries corresponding
7 to the respective display (e.g., respective display type,
8 respective color gamut implemented on that display, and
9 so forth), similar to the past and the use of different
10 cathode ray tube phosphors. As a consequence, colors do
11 not appear as they should. That is, colors appear different
12 than what they were intended to appear like. For instance,
13 fir trees look like pine trees, tomatoes look like oranges,
14 and so forth. However, mapping primaries is the most
15 primitive and cheapest way of gamut mapping.

16 In the case of wide gamut material on a wide gamut
17 display, there still is a problem where colors may be
18 displayed incorrectly due to the color gamut of the wide
19 gamut material being different than the color gamut of the
20 wide gamut display. In fact, by using the above mentioned
21 unrestrictive color standards like xvYCC or XYZ, it is
22 always possible that a color gets transmitted that cannot be
23 displayed on one or more particular wide gamut displays.

24 Disney denies all remaining allegations of Paragraph 530.

25 531. Disney admits the ’268 Patent states at column 8, lines 10 to 13,
26 “Moreover, as used herein, the phrase ‘color correction’ refers to a creative
27 procedure to manually choose the right (preferred) colors on the content creation
28

1 side (versus the consumer consumption side).” Disney admits the ’268 Patent
2 states at column 3, lines 21 to 35:

3 One method for color correction involves 3×3
4 matrixing the source primaries to the display primaries
5 (which, however, requires a prior video signal
6 linearization). This solution has problems when colors are
7 transmitted that are beyond the color gamut of the display
8 color gamut. As an example, consider a display with three
9 primaries of Red, Green, and Blue, where the color to be
10 displayed may be a Green color (e.g., a variation of the
11 primary color Green), and that color may be out of the
12 display range. The typical result of such a situation is that
13 the color to be displayed may get clipped to their
14 respective maximum ranges. The problem will manifest
15 in a wrong color reproduction, in a hue, saturation, and
16 also brightness error. The detrimental affect will be even
17 worse if the color appears in a gradation (e.g., as seen most
18 often in animated movies), as a false contour will also
19 appear.

20 Disney denies all remaining allegations of Paragraph 531.

21 532. Disney admits the ’268 Patent states at column 4, lines 1 to 16:

22 Turning to FIG. 4, an exemplary high-level diagram
23 showing the workflow for color correction using a display
24 having a reference color gamut for content that may be
25 subsequently displayed on a display with a different color
26 gamut than the reference color gamut is indicated
27 generally by the reference numeral 400.
28

1 The undesirable result of the color correction
2 workflow 400 of FIG. 4 is that when color correcting on a
3 display with a reference color display (RCG), the colors
4 on a display with a second color gamut or color gamut 2
5 (CG2) will be reproduced incorrectly.

6 The color correction workflow 400 involves a
7 content creation side 480 and a content consumer side 490.
8 A RCG display 482 is used on the content creation side
9 480. A RCG display 492 and a CG2 display 494 are used
10 on the content consumer side 590.

11 Disney admits Paragraph 532 appears to reproduce Fig. 4 of the '268 Patent.
12 Disney denies all remaining allegations of Paragraph 532.

13 533. Disney admits the '268 Patent states at column 4, lines 17 to 36:

14 The picture source content may be stored, for
15 example, in a picture source content store 420. The color
16 corrected picture content may be stored, for example, in a
17 color corrected picture content store 440.

18 A color correction module 430 generates the
19 content that only looks correct on a display of the same
20 type and with the same color gamut. Thus, the colors on
21 the CG2 display will not look the same as the colors that
22 were color corrected on the RCG display. It is very likely
23 that at least some of the colors on the RCG2 display will
24 be clipped and at least some will be displayed with the
25 wrong hue.

26 The problem is illustrated in FIG. 4 using the “Ski
27 Image”, which is part of the CIE TC8-03 test images in
28 their “Guidelines for the Evaluation of Gamut Mapping

1 Algorithms". It is courtesy of Fujifilm Electronic Imaging
2 Ltd. (UK). As we can see, on the content consumer side,
3 the picture can only be retrieved correctly on a display
4 with RCG. The picture will look incorrect and it will show
5 the above mentioned artifacts if a display with a color
6 gamut not equal to the RCG (CG2) is used for display.

7 Disney denies all remaining allegations of Paragraph 533.

8 534. Disney admits the '268 Patent states at column 3, lines 54 to 55, "It is
9 therefore essential that a proper way of color gamut mapping is used for rendering
10 colors on the display used." Disney admits the '268 Patent states at column 6, lines
11 3 to 5, "The present principles are directed to methods and systems for color
12 correcting to provide predictable results on displays with different color gamuts."
13 Disney admits Paragraph 534 appears to reproduce Fig. 5 of the '268 Patent.
14 Disney denies all remaining allegations of Paragraph 534.

15 535. Disney admits the '268 Patent states at column 8, line 36 to column 9,
16 line 27:

17 In an embodiment, the present principles may be
18 used to address an exemplary problem where color
19 correction is to be performed on a display with a reference
20 color gamut, however, the corrected colors are to be
21 displayed on a display with a different color gamut than
22 the reference color gamut used for color correction.

23 Turning to FIG. 5, a high-level diagram showing the
24 exemplary workflow for color correction to obtain a
25 master for CG2 displays and metadata for RCG displays is
26 indicated generally by the reference numeral 500.

27 The color correction workflow 500 involves a
28 content creation side 580 and a content consumer side 590.

1 The color correction 530 is done based on a color gamut
2 for CG2 displays. A CG2 display 584 shall be directly
3 attached to the color correction tool. A CGM 586 is used
4 to map the content from a color gamut for display on CG2
5 display 584 to a color gamut for display on RCG display
6 582, and the resultant picture content is then used for
7 distribution/storage in color corrected picture content store
8 540. An RCG display 592 and a CG2 display 594 are used
9 on the content consumer side 590.

10 In the embodiment, the use of the present principles
11 provides a controllable color difference between the
12 content displayed on the RCG display 592 and the CG2
13 display 594 on the content consumer side 590. As noted
14 above, the embodiment involves the use of a master, i.e.,
15 one version of mastered content, for (use by) CG2 displays
16 and metadata 510 for (use by) RCG displays.

17 The metadata 510 describes a transformation of
18 color corrected picture content for CG2 displays, into
19 colors intended for RCG displays. Thus, the metadata 510
20 may describe, for example, the difference between the
21 colors for a CG2 display and a RCG display.

22 The picture source content may be stored, for
23 example, in a picture source content store 520. The color
24 corrected picture content may be stored, for example, in a
25 color corrected picture content store 540. The metadata
26 510 may be stored, for example, in a metadata store 517.

1 A color correction module 530 is used to create the
2 CG2 master by choosing the right colors. This may be
3 done by a colorist in a Digital Intermediates facility.

4 On the content creation side 580, the CG2 mastered
5 content and the metadata for the RCG displays is applied
6 to a CGM module 586 that performs a color gamut
7 mapping so that the CG2 mastered content is color
8 corrected for display on the RCG display 582.

9 On the content consumer side 590, the CG2
10 mastered content and the metadata 510 for the RCG
11 displays is applied to a CGM module 596 that performs a
12 color gamut mapping so that the CG2 mastered content is
13 color corrected for display on the RCG display 592. The
14 CGM module 596 receives information about a
15 transformation specification by means of metadata 510.
16 This metadata 510 is derived from the transform
17 specification used in the CGM 586 on the content creation
18 side.

19 Moreover, on the content consumer side 590, the
20 CG2 mastered content is provided directly to the CG2
21 display 594 without the use or need of the metadata 510 or
22 a color gamut mapping.

23 Disney admits Paragraph 535 appears to reproduce Fig. 6 of the '268 Patent.
24 Disney denies all remaining allegations of Paragraph 535.

25 536. Disney admits the '268 Patent states at column 9, lines 28 to 67:

26 Turning to FIG. 6, a high-level diagram showing the
27 exemplary workflow for color correction to obtain a
28

1 master for CG2 displays and one master for RCG displays
2 is indicated generally by the reference numeral 600.

3 The color correction workflow 600 involves a
4 content creation side 680 and a content consumer side 690.
5 A RCG display 682 is used on the content creation side
6 680. In addition, a CG2 display 684 shall be used on the
7 content creation side 580 for proof viewing the content
8 meant for consumer RCG displays. A RCG display 692
9 and a CG2 display 694 are used on the content consumer
10 side 690.

11 In an embodiment, the color correction will result in
12 a master for CG2 displays (such as CG2 display 694), and
13 a master for RCG displays (such as RCG display 692). In
14 an embodiment, the master for the RCG displays would be
15 a derivative of the master for CG2 displays. The approach
16 of FIG. 6 provides a controlled color difference between a
17 consumer CG2 display and a RCG display 590 as the
18 distinctive feature. The quality of the color accuracy is
19 subject to the CG2 specifications used for color correction
20 matching those used in the field, or the display in the field
21 being calibrated to the specification used for color
22 correction.

23 The picture source content may be stored, for
24 example, in a picture source content store 620. The color
25 corrected picture content for RCG displays, i.e., the master
26 for RCG displays, may be stored, for example, in a color
27 corrected picture content store 645. The color corrected
28 picture content for CG2 displays, i.e., the master for CG2

1 displays, may be stored, for example, in a color corrected
2 picture content store 640.

3 On the content creation side, a color correction
4 module 630 generates the CG2 master. Moreover, on the
5 content creation side 680, the CG2 mastered content is
6 applied to a CGM module 686 that performs a color gamut
7 mapping to generate the RCG master, so that the CG2
8 mastered content is color corrected for display on the RCG
9 display 682.

10 On the content consumer side 690, the RCG
11 mastered content is provided directly to the RCG display
12 692 without the need for a color gamut mapping, and the
13 CG2 mastered content is provided directly to the CG2
14 display 694 without the need for a color gamut mapping.

15 Disney admits Paragraph 536 appears to reproduce Fig. 7 of the '268 Patent.
16 Disney denies all remaining allegations of Paragraph 536.

17 537. Disney admits the '268 Patent states at column 10, lines 13 to 58:

18 Turning to FIG. 7, a high-level diagram showing the
19 exemplary workflow for color correction to obtain a
20 master for CG2 displays and metadata for RCG displays is
21 indicated generally by the reference numeral 700.

22 The color correction workflow 700 involves a
23 content creation side 780 and a content consumer side 790.
24 A RCG display 782, using CG2 simulation via a CGM
25 module 786, is used on the content creation side 780.
26 Alternatively or in addition, a CG2 display may be used
27 on the content creation side 780. A RCG display 792 and
28

1 a CG2 display 794 are used on the content consumer side
2 790.

3 In the embodiment, the use of the present principles
4 provides a substantial color match between the content
5 displayed on the RCG display 792 and the CG2 display
6 794 on the content consumer side 790. As noted above,
7 the embodiment involves the use of a master, i.e., one
8 version of mastered content, for (use by) CG2 displays and
9 metadata 710 for (use by) RCG displays.

10 The metadata 710 describes a transformation of
11 picture source content into color corrected picture content.
12 The picture source content relates to colors for CG2
13 displays and the color corrected picture content relates to
14 colors for RCG displays. Thus, the metadata 710 may
15 describe, for example, the difference between the colors
16 for a CG2 display and a RCG display.

17 The picture source content may be stored, for
18 example, in a picture source content store 720. The color
19 corrected picture content may be stored, for example, in a
20 color corrected picture content store 740. The metadata
21 710 may be stored, for example, in a metadata store 717.

22 A color correction module 730 generates the CG2
23 master and the metadata for RCG displays.

24 On the content creation side 780, the CG2 mastered
25 content and the metadata for the RCG displays is applied
26 to a CGM module 786 that performs a color gamut
27 mapping so that the CG2 mastered content is color
28 corrected for display on the RCG display 782.

1 On the content consumer side 790, the CG2
2 mastered content and the metadata 710 for the RCG
3 displays is applied to a CGM module 796 that performs a
4 color gamut mapping so that the CG2 mastered content is
5 color corrected for display on the RCG display 792.

6 Disney admits Paragraph 537 appears to reproduce Fig. 8 of the '268 Patent.
7 Disney denies all remaining allegations of Paragraph 537.

8 538. Disney admits the '268 Patent states at column 10, line 59 to column
9 11, line 29:

10 Turning to FIG. 8, a high-level diagram showing the
11 exemplary workflow for color correction to obtain a
12 master for CG2 displays and one master for RCG displays
13 is indicated generally by the reference numeral 800.

14 The color correction workflow 800 involves a
15 content creation side 880 and a content consumer side 890.
16 A RCG display 882 is used on the content creation side
17 880. A RCG display 892 and a CG2 display 894 are used
18 on the content consumer side 890.

19 In an embodiment, the color correction will result in
20 a master for CG2 displays (such as CG2 display 894), and
21 a master for RCG displays (such as RCG display 892). In
22 an embodiment, the master for the RCG displays would be
23 a derivative of the master for CG2 displays. The approach
24 of FIG. 8 provides a match between a consumer CG2
25 display and a RCG display. The quality of the match is
26 subject to the CG2 specifications used for color correction
27 matching those used in the field, or the display in the field
28

1 being calibrated to the specification used for color
2 correction.

3 The picture source content may be stored, for
4 example, in a picture source content store 820. The color
5 corrected picture content for RCG displays, i.e., the master
6 for RCG displays, may be stored, for example, in a color
7 corrected picture content store 845. The color corrected
8 picture content for CG2 displays, i.e., the master for CG2
9 displays, may be stored, for example, in a color corrected
10 picture content store 840.

11 On the content creation side, a color correction
12 module 830 generates the CG2 master. Moreover, on the
13 content creation side 880, the CG2 mastered content is
14 applied to a CGM module 886 that performs a color gamut
15 mapping to generate the RCG master, so that the CG2
16 mastered content is color corrected for display on the RCG
17 display 882.

18 On the content consumer side 890, the RCG
19 mastered content is provided directly to the RCG display
20 892 without the need for a color gamut mapping, and the
21 CG2 mastered content is provided directly to the CG2
22 display 894 without the need for a color gamut mapping.

23 Disney denies all remaining allegations of Paragraph 538.

24 539. Disney admits the '268 Patent states at column 10, lines 4 to 12, "In
25 some circumstances, the color correction process may be a bit cumbersome since
26 the colors are being modified with a non-linear mapping between the color
27 correction and the reference display. Some colors may not change as initially
28 expected by the colorist. However, there will be no colors in the master that cannot

1 be displayed by a display with CG2, nor will there be a color that cannot be
2 displayed by a RCG display. This is a real benefit of this approach.” Disney
3 admits the ’268 Patent states at column 11, lines 33 to 46:

4 In some circumstances, the color correction process
5 may be a bit cumbersome since the colors are being
6 modified with a non-linear mapping between the color
7 correction and the reference display. Some colors may not
8 change as initially expected by the colorist. However,
9 there will be no colors in the master that cannot be
10 displayed by a display with CG2, nor will there be a color
11 that cannot be displayed by a RCG display. This is a real
12 benefit of this approach.

13 On the content consumer side, circuitry will be
14 provided that connects the signal source with a CG2
15 display. This circuitry can be implemented in hardware
16 and/or in software, and provides the signal transform to
17 generate the CG2 version needed out of the picture for
18 RCG displays[.]

19 Disney denies all remaining allegations of Paragraph 539.

20 540. Disney admits the ’268 Patent states at column 6, lines 25 to 37,
21 “Thus, for example, it will be appreciated by those skilled in the art that the block
22 diagrams presented herein represent conceptual views of illustrative circuitry
23 embodying the present principles. Similarly, it will be appreciated that any flow
24 charts, flow diagrams, state transition diagrams, pseudocode, and the like represent
25 various processes which may be substantially represented in computer readable
26 media and so executed by a computer or processor, whether or not such computer
27 or processor is explicitly shown.” Disney admits the ’268 Patent states at column 8,
28 lines 27 to 29, “The present principles correct differences in colors between

1 different target displays.” Disney denies all remaining allegations of Paragraph
2 540.

3 541. Disney denies all allegations of Paragraph 541.

4 542. Disney denies all allegations of Paragraph 542.

5 **The ’268 Patent Allegations**

6 543. Disney denies all allegations of Paragraph 543, and specifically denies
7 that it has committed any acts of infringement.

8 544. Disney denies all allegations of Paragraph 544, and specifically denies
9 that it has committed any acts of infringement.

10 545. Disney denies all allegations of Paragraph 545, and specifically denies
11 that it has committed any acts of infringement.

12 546. Disney denies all allegations of Paragraph 546, and specifically denies
13 that it has committed any acts of infringement.

14 547. Disney denies all allegations of Paragraph 547, and specifically denies
15 that it has committed any acts of infringement.

16 548. Disney denies all allegations of Paragraph 548, and specifically denies
17 that it has committed any acts of infringement.

18 **COUNT 5: [ALLEGED] INFRINGEMENT OF U.S. PATENT NO. 8,085,297**

19 549. Disney repeats and incorporates by reference the responses to
20 Paragraphs 1 through 548 above as though fully set forth herein.

21 550. Disney admits that the cover page of U.S. Patent No. 8,085,297 (the
22 “’297 Patent”) states that its title is “Method for Modifying a User Interface of a
23 Consumer Electronic Apparatus, Corresponding Apparatus, Signal and Data
24 Carrier,” it issued on December 27, 2011, and that Harald Schiller is named as the
25 inventor. Disney admits that Exhibit E.1 purports to be a copy of the ’297 Patent.
26 Disney denies all remaining allegations of Paragraph 550.

27 551. Disney lacks sufficient knowledge or information on which to form a
28 belief as to the allegations of Paragraph 551 and, on that basis, denies them.

552. Disney denies all allegations of Paragraph 552.

The '297 Patent

553. Disney admits the '297 Patent states at column 1, lines 15 to 24, "In general terms a user interface (UI) includes all aspects of an apparatus or a program, which are used for an interaction with a user. This includes commands and mechanisms, which the user utilizes to control the operation of the apparatus or program and to input data but also an output by the apparatus or program, which can be seen or heard or otherwise perceived by the user. Especially for consumer electronic apparatuses and computer systems a wide range of user interfaces has been developed and implemented." Disney denies all remaining allegations of Paragraph 553.

554. Disney admits the '297 Patent states at column 1, lines 24 to 36, "A very simple and today in many areas outdated user interface requires the user to type textual commands by using a keyboard and produces a single stream of text as output. More comfortable are graphical user interfaces, which use for the output displayed windows, pictures or icons and for the input and control a cursor moved over the display using 'up'- and 'down'-keys or a pointing device such as a mouse, a trackball or a touch-pad. Even more sophisticated is a voice-controlled user interface based on speech recognition. However, a drawback of these user interfaces is that they are defined and fixed once the respective apparatus has left the factory which means that no extensions or corrections are possible." Disney admits Paragraph 554 appears to reproduce Fig. 1 of the '297 Patent. Disney denies all remaining allegations of Paragraph 554.

555. Disney admits the '297 Patent states at column 1, lines 39 to 43, “It is one object of the invention to disclose a method for modifying a user interface of a consumer electronic apparatus, which can be used for example to update a given basic UI functionality or to temporarily implement isolated, dedicated UI sub-domains.” Disney admits the '297 Patent states at column 2, lines 8 to 25:

FIG. 1 illustrates a block diagram of an embodiment of the present invention. A received signal consisting of main data and embedded side information is supplied to an extractor 1. The main data may be AV data or pure video or audio data, either in analog or digital form, e.g. compressed according to the MPEG-2 standard. In the case of an analog TV signal the side information can be received embedded in the vertical blanking interval and can be separated by a suited data slicer, which may also be used for the separation of other VBI data like teletext, VPS or closed caption. For a digital TV signal the side information may be embedded in a corresponding data channel, e.g. in not used user-data and can be separated by a suited demultiplexer. After separation of the side information from the main data the main data are forwarded to suited processing means 2, e.g. an MPEG-2 decoder, and are finally played-back using a display 3 and/or one or more loudspeakers 4.

Disney denies all remaining allegations of Paragraph 555.

556. Disney admits the '297 Patent states at column 2, lines 26 to 33, "A user interface unit 5 controls the interaction between the user and the apparatus, e.g. the display of a graphical UI and the input of commands by the user using a mouse-controlled cursor. The user interface unit 5 comprises user command input means 6 for receiving the user inputs, a processing unit 7 for handling the commands and mechanisms of the UI and a first buffer 8 for the permanent storage of parameters for UI parts, which shall be kept unaltered." Disney denies all remaining allegations of Paragraph 556.

557. Disney admits the '297 Patent states at column 2, lines 33 to 53:

1 Furthermore, a second buffer 9, a modification unit
2 10 and a control unit 11 are implemented for the purpose
3 of modifying the UI according to the invention. The
4 second buffer 9 receives from the extractor 1 the side
5 information comprising side information components for
6 controlling the user interface and validity information
7 defining the validity start and/or end time of said side
8 information components, which both are stored in the
9 buffer 9. The side information components and validity
10 information are fed to the modification unit 10, which
11 processes these data and modifies the UI when the start
12 time of the respective side information component is
13 signalized by the control unit 11, possibly together with
14 the processing unit 7. When the end time of the side
15 information component is reached, this is also signalled
16 by the control unit 11 and the modification is reversed.

17 In a further embodiment the side information is
18 written into the first buffer 8 and kept there for the duration
19 of the UI modification instead of writing the side
20 information into the second buffer 9. In this way the costs
21 for the additional buffer 9 can be saved.

22 Disney denies all remaining allegations of Paragraph 557.

23 558. Disney admits the '297 Patent states at column 2, lines 57 to 67, "The
24 side information can be used to modify the visual appearance of the UI, e.g. to
25 insert additional buttons with a new functionality or to create new subdirectories
26 with additional commands. In case of voice control, the additional user commands
27 are new keywords to be recognized by the speech recognition algorithm, which may
28 be stored as pieces of PCM waveform or in a time-parameter domain. Also, for a

1 user interface including voice synthesis the side information can be used to alter the
2 parameter sets for the voice synthesis, e.g. to add new speech keywords or to
3 change the sound of the voice.” Disney denies all remaining allegations of
4 Paragraph 558.

5 559. Disney admits the ’297 Patent states at column 3, lines 1 to 6, “The
6 side information can be received together with AV data, especially embedded into
7 AV data, from a broadcasting station. However, the AV data and the side
8 information can also be supplied by a data carrier, e.g. an optical storage disc like a
9 DVD disc. Furthermore, the side information can also be received on a separate
10 input channel, e.g. a telephone line.” Disney denies all remaining allegations of
11 Paragraph 559.

12 560. Disney admits the ’297 Patent states at column 2, lines 11 to 20, “The
13 main data may be AV data or pure video or audio data, either in analog or digital
14 form, e.g. compressed according to the MPEG-2 standard. In the case of an analog
15 TV signal the side information can be received embedded in the vertical blanking
16 interval and can be separated by a suited data slicer, which may also be used for the
17 separation of other VBI data like teletext, VPS or closed caption. For a digital TV
18 signal the side information may be embedded in a corresponding data channel, e.g.
19 in not used user-data and can be separated by a suited demultiplexer.” Disney
20 denies all remaining allegations of Paragraph 560.

21 561. Disney denies all allegations of Paragraph 561.

22 562. Disney denies all allegations of Paragraph 562.

23 **The ’297 Patent Allegations**

24 563. Disney denies all allegations of Paragraph 563, and specifically denies
25 that it has committed any acts of infringement.

26 564. Disney denies all allegations of Paragraph 564, and specifically denies
27 that it has committed any acts of infringement.
28

1 565. Disney denies all allegations of Paragraph 565, and specifically denies
2 that it has committed any acts of infringement.

3 566. Disney denies all allegations of Paragraph 566, and specifically denies
4 that it has committed any acts of infringement.

5 567. Disney denies all allegations of Paragraph 567, and specifically denies
6 that it has committed any acts of infringement.

7 568. Disney denies all allegations of Paragraph 568, and specifically denies
8 that it has committed any acts of infringement.

9 **JURY DEMAND**

10 569. To the extent a response is required, Disney admits that InterDigital's
11 Complaint contains a request for a jury trial.

12 **GENERAL DENIAL**

13 570. To the extent that any allegations of the Complaint are not specifically
14 admitted, Disney hereby denies them.

15 **RESPONSE TO INTERDIGITAL'S PRAYER FOR RELIEF**

16 571. InterDigital's prayer for relief sets forth InterDigital's statement of
17 requested relief, to which no response is required. To the extent a response is
18 required, Disney denies that InterDigital is entitled to the relief sought, or to any
19 other relief, against Disney.

20 **AFFIRMATIVE AND OTHER DEFENSES**

21 572. Disney alleges the following as separate and affirmative defenses to
22 the Complaint. By virtue of having listed the following defenses, Disney does not
23 assume any legal or factual burden not otherwise assigned to it under the law. In
24 addition to the defenses described below, Disney reserves all rights to allege
25 additional defenses that become known through the course of discovery or further
26 investigation. Disney reserves the right to argue any defense, including as to non-
27 infringement, invalidity, unenforceability, and/or remedy.

FIRST DEFENSE

(Non-Infringement)

573. Disney does not infringe and has not infringed (directly, contributorily, or by inducement), either literally or under the doctrine of equivalents, and is not liable for infringement of any valid and enforceable claim of the '301, '610, '818, '268 and '297 Patents.

SECOND DEFENSE

(Invalidity)

574. The '301, '610, '818, '268, and '297 Patents are invalid for failure to satisfy the conditions of patentability set forth in 35 U.S.C. §§ 101 *et seq.*, including sections 101, 102, 103, 112, 115, 116, 119, 132, 251, 256, and/or 282.

THIRD DEFENSE

(Equitable Doctrines)

575. InterDigital is barred or limited from recovery in whole or in part by the equitable doctrines of waiver, estoppel, acquiescence, patent misuse, laches, and/or unclean hands.

FOURTH DEFENSE

(Failure to State a Claim)

576. InterDigital's Complaint fails to state a claim upon which relief can be granted, including, but not limited to, failure of the Complaint to meet the standard for pleading set by the Supreme Court in *Ashcroft v. Iqbal*, 129 S. Ct. 1937 (2009) and *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007).

FIFTH DEFENSE

(Prosecution History Estoppel)

577. InterDigital's claims of patent infringement under the doctrine of equivalents, if any, are barred in whole or in part by the doctrine of prosecution history estoppel and/or prosecution disclaimer.

SIXTH DEFENSE

(Ensnarement)

578. InterDigital's claims of patent infringement under the doctrine of equivalents, if any, are barred under the doctrine of ensnarement.

SEVENTH DEFENSE

(Limitation on Damages)

579. InterDigital's claim for damages are barred to the extent that InterDigital seeks damages beyond the six year time limitation set forth in 35 U.S.C. § 286, 287 and/or 288.

EIGHTH DEFENSE

(Failure to Mark)

580. InterDigital's claims for damages prior to the filing of this lawsuit are barred to the extent InterDigital, its predecessors-in-interest, or licensees failed to comply with the requirements of 35 U.S.C. § 287, including its marking requirement. In particular, InterDigital fails to identify any facts or allegations that could establish that InterDigital, its predecessors-in-interest, and/or its licensees complied with the marking requirements of 35 U.S.C. § 287 for any practicing products, and therefore InterDigital is not entitled to seek damages any earlier than the date it can establish actual notice of the alleged infringement.

NINTH DEFENSE

(No Injunction)

581. To the extent injunctive relief is sought, InterDigital is not entitled to an injunction because InterDigital is not likely to prevail on the merits, has not suffered and will not suffer irreparable harm due to Disney's conduct, has an adequate remedy at law, is obligated to license Asserted Patents on fair, reasonable, and non-discriminatory terms, and/or public policy concerns weigh against any equitable relief.

TENTH DEFENSE

(Lack of Standing)

582. To the extent InterDigital does not own the '301, '610, '818, '268, and '297 Patents or all substantial rights under those patents, InterDigital lacks standing to bring the present litigation.

ELEVENTH DEFENSE

(No Attorney Fees)

583. InterDigital is not entitled to recover attorneys' fees associated with this action under 35 U.S.C. § 285, or pursuant to the Court's inherent power.

TWELFTH DEFENSE

(License and Exhaustion)

584. InterDigital's claims of patent infringement are barred to the extent the alleged infringement is licensed, either expressly or impliedly, or otherwise authorized. InterDigital's claims of patent infringement are also barred to the extent that InterDigital has exhausted its rights and remedies as to the alleged infringement.

THIRTEENTH DEFENSE

(Extraterritoriality)

585. InterDigital's claims for patent infringement are precluded in whole or in part to the extent that any of the accused functionalities or acts are located or performed outside the United States.

FOURTEENTH DEFENSE

(FRAND Damages Limitation)

586. To the extent that any of the Asserted Patents are essential to any standard, InterDigital's recovery for alleged infringement of the Asserted Patents, if any, is limited by obligations to license such patents on fair, reasonable, and non-discriminatory ("FRAND" or "RAND") terms.

FIFTEENTH DEFENSE

(No Willful Infringement)

587. InterDigital's claims for enhanced damages, if any, and an award of fees and costs against Disney have no basis in fact or law and should be denied.

RESERVATION OF ADDITIONAL DEFENSES

588. Disney reserves the right to assert additional defenses that may be developed through discovery in this Action.

DISNEY’S COUNTERCLAIMS

As and for its counterclaims herein, Defendants and Counterclaim-Plaintiffs The Walt Disney Company, Disney Media and Entertainment Distribution LLC, Disney DTC LLC, Disney Streaming Services LLC, Disney Entertainment & Sports LLC, Disney Platform Distribution, Inc., BAMTech LLC, Hulu, LLC, and ESPN, Inc. (collectively, “Disney” or “Defendants”) hereby allege against Plaintiff and Counterclaim-Defendants InterDigital, Inc., InterDigital VC Holdings, Inc., InterDigital Madison Patent Holdings, SAS, and InterDigital CE Patent Holdings, SAS (collectively, “InterDigital” or “Plaintiffs”) as follows:

INTRODUCTION

1. Disney brings these Counterclaims for InterDigital’s breach of its commitments to the International Telecommunications Union (“ITU”), the International Organization for Standardization (“ISO”), the International Electrotechnical Commission (“IEC”), their affiliates and members, and intended third-party beneficiaries—including Disney.

2. InterDigital knowingly breached its contractual obligation to offer on a worldwide, non-discriminatory basis and on reasonable terms and conditions (“RAND”) a license to patents related to two video coding standards, H.264 and H.265, developed by the ITU, ISO, IEC, and their members and affiliates. Specifically, in disregard of its contractual obligations, InterDigital has refused to offer Disney such a license on RAND terms, notwithstanding Disney’s longstanding willingness to license those patents on such terms. In further disregard of its contractual obligations, InterDigital has chosen to launch a global-litigation attack against Disney, seeking injunctions in multiple jurisdictions around the world. Patents InterDigital has asserted in this Action or in foreign proceedings were identified to the ITU, ISO, and/or IEC as essential, and InterDigital’s infringement allegations require that such asserted patents are essential. InterDigital nevertheless disregards that these patents are RAND encumbered and is

1 attempting to coerce Disney into capitulating and paying excessive, non-RAND
2 royalties.

3 3. To put an end to InterDigital's improper conduct, Disney seeks from
4 this court all appropriate remedies associated with InterDigital's breaches of
5 contracts and covenants to which Disney is an intended third-party beneficiary.

6 4. Disney also brings Counterclaims seeking declarations that it does not
7 infringe the Asserted Patents and that the Asserted Patents are invalid.

8 **PARTIES**

9 5. Counterclaim-Plaintiff The Walt Disney Company is a Delaware
10 corporation with its principal place of business at 500 South Buena Vista Street,
11 Burbank, California 91521.

12 6. Counterclaim-Plaintiff Disney Media and Entertainment Distribution
13 LLC is a Delaware limited liability company with a principal place of business at
14 500 South Buena Vista Street, Burbank, California 91521.

15 7. Counterclaim-Plaintiff Disney DTC LLC is a Delaware limited
16 liability company with a principal place of business at 500 South Buena Vista
17 Street, Burbank, California 91521.

18 8. Counterclaim-Plaintiff Disney Streaming Services LLC is a Delaware
19 limited liability company with a principal place of business at 500 South Buena
20 Vista Street, Burbank, California 91521.

21 9. Counterclaim-Plaintiff Disney Entertainment & Sports LLC is a
22 Delaware limited liability company with a principal place of business at 500 South
23 Buena Vista Street, Burbank, California 91521.

24 10. Counterclaim-Plaintiff Disney Platform Distribution, Inc. is a
25 Delaware corporation with a principal place of business at 500 South Buena Vista
26 Street, Burbank, California 91521.

1 11. Counterclaim-Plaintiff BAMTech, LLC is a Delaware limited liability
2 company with a principal place of business at 1211 Avenue of the Americas, New
3 York, New York 10036.

4 12. Counterclaim-Plaintiff Hulu, LLC is a Delaware limited liability
5 company with a principal place of business at 2500 Broadway, Santa Monica,
6 California 90404.

7 13. Counterclaim-Plaintiff ESPN, Inc. is a Delaware corporation with a
8 principal place of business at ESPN Plaza, Bristol, Connecticut 06010.

9 14. According to the allegations set forth in the Complaint, Counterclaim-
10 Defendant InterDigital, Inc. is a corporation with its principal place of business at
11 200 Bellevue Parkway, Suite 300, Wilmington DE 19809.

12 15. According to the allegations set forth in the Complaint, Counterclaim-
13 Defendant InterDigital VC Holdings, Inc. is a Delaware corporation with its
14 principal place of business at 200 Bellevue Parkway, Suite 300, Wilmington,
15 Delaware 19809.

16 16. According to the allegations set forth in the Complaint, Counterclaim-
17 Defendant InterDigital Madison Patent Holdings, SAS is a French société par
18 actions simplifiée (simplified joint stock company) with its principal place of
19 business at 3 Rue du Colonel Moll, Paris, France 75017.

20 17. According to the allegations set forth in the Complaint, Counterclaim-
21 Defendant InterDigital CE Patent Holdings, SAS purports is a French société par
22 actions simplifiée (simplified joint stock company) with its principal place of
23 business at 3 Rue du Colonel Moll, Paris, France 75017.

24 **JURISDICTION AND VENUE**

25 18. This Court has subject matter jurisdiction over the Counterclaims
26 under 28 U.S.C. §§ 2201 and 2202 as a declaratory judgment action; and, as
27 averred in the Complaint, under 28 U.S.C. §§ 1331 and 1338 as an action arising
28 under the Patent Laws, Title 35 of the United States Code.

19. Moreover, this Court has subject-matter jurisdiction over Disney's contract and contract-related claims pursuant to 28 U.S.C. § 1367 because these counterclaims are so related to the claims in this Action over which the Court has original jurisdiction such that they form part of the same case or controversy under Article III of the U.S. Constitution as at least Counts 1-3 of InterDigital's complaint. Further, the contractual counterclaims arise out of the transaction or occurrence that is the subject matter of at least Counts 1-3 of InterDigital's complaint.

20. This Court has personal jurisdiction over InterDigital because InterDigital has commenced the underlying patent infringement action in this Court.

21. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b) and 1400(b), *inter alia*, because InterDigital has submitted to the venue of this Court by filing its Complaint here. This Court has supplemental jurisdiction over the Counterclaims pursuant to 28 U.S.C. § 1367.

FACTUAL BACKGROUND

Industry Technical Standards

22. New video coding technologies typically are only widely commercialized after service providers and device manufacturers collectively agree on compatible technology specifications for related products or services. For virtually all video coding technologies, that process has consisted of inclusive, multi-participant standards development efforts conducted under the auspices of leading standards setting organizations (“SSOs”).

23. Standards can play a critical role in the development of video coding technologies. Standards facilitate the adoption and advancement of technology as well as the development of products that can interoperate with one another. Companies that produce products compatible with a standard can design products by referencing only the standard documentation, without the need to communicate separately with every other company with which their products may need to

1 operate. Companies producing products that implement a standard facilitate
2 interoperability among different products, and consumers of those products can be
3 confident that products from multiple vendors will work together as intended under
4 the standard.

5 24. To reduce the probability that implementers of their standards will be
6 subject to abusive practices by patent holders, SSOs have adopted rules, policies,
7 and procedures that address the disclosure and licensing of patents that SSO
8 participants may assert in relation to the practice of the standard under
9 consideration.

10 **The H.264 and H.265 Standards**

11 25. InterDigital's improper conduct concerns InterDigital's assertion of
12 patents in this Action and certain foreign actions against Disney in breach of its
13 contractual obligation to certain SSOs, their members and affiliates, and intended
14 third-party beneficiaries, including Disney.

15 26. The H.264 or Advanced Video Coding ("AVC") standard was
16 developed by the Joint Video Team ("JVT") and jointly promulgated by the ITU's
17 Telecommunication Standardization Section ("ITU-T") and the International
18 Organization for Standardization/International Electrotechnical Commission
19 ("ISO/IEC").

20 27. The JVT is a collaborative group composed of (1) the Motion Picture
21 Experts Group ("MPEG"), the video subgroup of the ISO/IEC and (2) the Video
22 Coding Experts Group ("VCEG"), a subgroup of the ITU. The ITU's VCEG
23 performed the early development of the standard, and the JVT was created in 2001
24 to finalize it. The first version of H.264, also known as MPEG-4 Part 10, or
25 Advanced Video Coding, was adopted in May 2003.

26 28. According to the ITU, H.264 video compression technology "was
27 designed to enable the use of [a] coded video representation in a flexible manner for
28

1 a wide variety of network environments.”¹ The ITU has also stated that it
2 “represents an evolution of the existing video coding standards” and “was
3 developed in response to the growing need for higher compression of moving
4 pictures for various applications such as videoconferencing, digital storage media,
5 television broadcasting, Internet streaming, and communication.”²

6 29. The prior assignee of InterDigital’s Asserted Patents in this Action,
7 and its patents asserted in proceedings filed in other countries, was Thomson
8 Licensing. On information and belief, Thomson Licensing was a member of the
9 ITU and participated in the early development of the standard that would become
10 H.264.

11 30. The H.265 or High Efficiency Video Coding (“HEVC”) standard is a
12 video compression standard intended to be the successor to the H.264 standard. As
13 with H.264 standard, VCEG and MPEG formed a joint collaboration to develop the
14 H.265 standard in 2010, the Joint Collaborative Team on Video Coding
15 (“JCTVC”). The H.265 standard was first approved by the ITU in April 2013, as
16 well as by the ISO/IEC as 23008-2. On information and belief, Thomson Licensing
17 was a participant in the JCTVC’s efforts to develop the H.265 standard.

18 31. The H.264 and H.265 standards are the most popular methods of
19 coding video content. Disney has invested millions of dollars in products and
20 services that support the H.264 and H.265 standards, and it would take substantial
21 effort and time for Disney and the industry to develop software and hardware that
22 use alternative techniques.

23 **The Common Patent Policy and Guidelines**

24 32. The SSO patent policies and contracts at issue in this Action include
25 the ITU, ISO, and IEC’s Common Patent Policy (“Patent Policy”) and associated
26

27 ¹ ITU-T, “Summary,” <https://www.itu.int/net/ITU-T/sigdb/spevideo/Hseries-s.htm> (accessed Feb.
28 25, 2025).

² *Id.*

1 guidelines that “clarify and facilitate the implementation of the Patent Policy.”³
2 The purpose of the Patent Policy is to encourage disclosure and identification of
3 patents that may relate to standards under development.⁴ “In doing so, greater
4 efficiency in standards development is possible and potential patent rights problems
5 can be avoided.”⁵

6 33. The Patent Policy provides a “code of practice” to achieve an explicit
7 objective of standards—“to ensure compatibility of technologies and systems on a
8 worldwide basis.”⁶ The Patent Policy elaborates that to meet this objective, “which
9 is in the common interests of all those participating,” a patent that is “embodied
10 fully or partly” in a standard must be “accessible to everybody without undue
11 constraints.”⁷ “To meet this requirement in general is the sole objective of the code
12 of practice.”⁸

13 34. The Patent Policy’s code of practice is set forth in three enumerated
14 paragraphs. Paragraph (1) provides that any party participating in the development
15 of a standard should disclose “any known patent” or “any known pending patent
16 application” to the ITU and/or ISO/IEC. Paragraph (2) provides that if a standard is
17 ultimately developed and “information as referred to in paragraph 1 has been
18 disclosed, three different situations may arise:

19 (2.1) The patent holder is willing to negotiate licences free of charge with
20 other parties on a non-discriminatory basis on reasonable terms and
21 conditions.
22

23 ³ See Guidelines for Implementation of the Common Patent Policy for ITU-T/ITU-R/ISO/IEC
24 Revision 1, effective April 23, 2012 (“2012 Guidelines”); Guidelines for Implementation of the
25 Common Patent Policy for ITU-T/ITU-R/ISO/IEC Revision 2, effective June 26, 2015 (“2015
Guidelines”).

26 ⁴ 2012 Guidelines at 1; 2015 Guidelines at 1.

27 ⁵ 2012 Guidelines at 1; 2015 Guidelines at 1.

28 ⁶ See 2012 Guidelines at Annex 1; 2015 Guidelines at Annex 1. The Patent Policy and
Guidelines refer to standards as “Recommendations” and “Deliverables.”

⁷ See 2012 Guidelines at Annex 1; 2015 Guidelines at Annex 1.

⁸ See 2012 Guidelines at Annex 1; 2015 Guidelines at Annex 1.

1 (2.2) The patent holder is willing to negotiate licences with other parties on a
2 non-discriminatory basis on reasonable terms and conditions.

3 (2.3) The patent holder is not willing to comply with the provisions of either
4 paragraph (2.1) or paragraph (2.2); in such case, the [standard] shall
5 not include provisions depending on the patent.”⁹

6 35. Paragraph (3) demands that, regardless of whether case (2.1), (2.2) or
7 (2.3) applies, the patent holder must provide a written statement to the ITU and/or
8 ISO/IEC using a specific Patent Statement and Licensing Declaration form
9 (“Declaration Form”). The Declaration Form gives the patent holder three
10 options—options 1, 2, and 3 that respectively correspond to cases (2.1), (2.2), and
11 (2.3) of the Patent Policy.

12 36. Parties that did not participate in the development of the standard may
13 also submit Declaration Forms, and the Patent Policy and Guidelines apply to any
14 patent disclosed subsequent to the approval of a standard.

15 37. When a patent holder specifies a particular standard on a Declaration
16 Form and submits it, the patent holder thereby commits to license *any patents or*
17 *patent applications it owns that are essential to implement the specified standard*,
18 even if the Declaration Form does not specifically identify those patents or patent
19 applications. Specifically, the “Declaration Form gives patent holders the means of
20 making a licensing declaration relative to rights in Patents required for
21 implementation of a specific [standard],” and that “by submitting this Declaration
22 Form the submitting party declares its willingness to license (by selecting option 1
23 or 2 on the Form) ... Patents held by it and whose license would be required to
24 practice or implement part(s) or all of a specific [standard].”¹⁰ The definition of
25
26

27
28 ⁹ See 2012 Guidelines at Annex 1; 2015 Guidelines at Annex 1.

¹⁰ See 2012 Guidelines at Annex 1; 2015 Guidelines at Annex 1.

1 “Patent” includes both patents and patent applications that would be essential to
2 implement a specific standard.¹¹

3 38. According to the Guidelines, the “licensing declaration contained in
4 the Declaration Form remains in force unless it is superseded by another
5 Declaration Form containing more favourable licensing terms and conditions from
6 a licensee’s perspective”¹²

7 39. Regarding the assignment or transfer of patent rights, “if the Patent
8 Holder specifically identified patents to ITU/ISO/IEC, then the Patent Holder shall
9 have the assignee or transferee agree to be bound by the same licensing
10 commitment as the Patent Holder for the same patent.”¹³

11 40. A patent holder who submits a Declaration Form makes a contractual
12 commitment for the benefit of potential willing licensees, who are third-party
13 beneficiaries to that commitment. This patent holder thus becomes contractually
14 bound to the ITU, ISO, and/or IEC for the benefit of third-party implementers to
15 offer to license on RAND terms both patents identified in the Declaration Form and
16 any patents or patent applications it owns that are required to implement the
17 standard identified in the Declaration Form.

18
19
20
21 ¹¹ See 2012 Guidelines at 3; 2015 Guidelines at 3.

22 ¹² See 2012 Guidelines at 4; 2015 Guidelines at 4.

23 ¹³ 2012 Guidelines at 5; *see also* 2015 Guidelines at 7 (“The rules governing the assignment or
24 transfer of Patent rights are contained in the patent statement and licensing declaration forms (see
25 Annexes 2 and 3)”; 2015 Guidelines at Annex 2 (“Licensing declarations made pursuant to
26 Clause 2.1 or 2.2 of the Common Patent Policy for ITU-T/ITU-R/ISO/IEC shall be interpreted as
27 encumbrances that bind all successors-in-interest as to the transferred Patents. Recognizing that
28 this interpretation may not apply in all jurisdictions, any Patent Holder who has submitted a
licensing declaration according to the Common Patent Policy - be it selected as option 1 or 2 on
the Patent Declaration form - who transfers ownership of a Patent that is subject to such licensing
declaration shall include appropriate provisions in the relevant transfer documents to ensure that,
as to such transferred Patent, the licensing declaration is binding on the transferee and that the
transferee will similarly include appropriate provisions in the event of future transfers with the
goal of binding all successors-in-interest.”).

InterDigital's RAND Obligations

41. InterDigital was contractually obligated to offer a license on RAND terms to certain patents that it recently asserted against Disney in this Action and in patent infringement actions it filed in Brazil and the Unified Patent Court ("UPC").

This Action

42. Before filing this Action, InterDigital was contractually obligated to offer Disney a license on RAND terms to at least the asserted '301, '610, and '818 Patents.

43. The '301, '610, and '818 Patents that InterDigital asserts in this Action were previously assigned to Thomson Licensing.

44. On behalf of Thomson Licensing, David W. Herring, Director of Intellectual Property & Licensing, signed a "Patent Statement and Licensing Declaration for ITU-T or ITU-R Recommendation | ISO or IEC Deliverable" on June 19, 2014. Upon information and belief, Thomson Licensing submitted this Declaration Form to the ITU, ISO, and/or IEC. In this Declaration Form, Thomson Licensing agreed to license the '301 Patent on RAND terms. Moreover, in this Declaration Form, Thomson Licensing agreed it would offer to license on RAND terms any patent(s) and patent application(s) essential to implementing the H.264 standard.

45. On behalf of Thomson Licensing, David W. Herring, Director of Intellectual Property & Licensing, also signed a "Patent Statement and Licensing Declaration for ITU-T or ITU-R Recommendation | ISO or IEC Deliverable" on December 18, 2012. Upon information and belief, Thomson Licensing submitted this Declaration Form to the ITU, ISO, and/or IEC. In this Declaration Form, Thomson Licensing agreed to license PCT Applications PCT/2011/000856 and PCT/2011/039579 on RAND terms. The '610 and '818 Patents that InterDigital has asserted in this Action are continuations of PCT Applications PCT/2011/000856 and PCT/2011/039579, respectively. Moreover, in this

1 Declaration Form, Thomson Licensing agreed it would offer to license on RAND
2 terms any patent(s) and patent application(s) essential to implementing the H.265
3 standard.

4 46. On behalf of Thomson Licensing, David W. Herring, Director or
5 Intellectual Property & Licensing, signed a “Patent Statement and Licensing
6 Declaration for ITU-T or ITU-R Recommendation | ISO or IEC Deliverable” on
7 June 7, 2016. Upon information and belief, Thomson Licensing submitted this
8 Declaration Form to the ITU, ISO, and/or IEC. In this Declaration Form, Thomson
9 Licensing agreed to license U.S. Patent No. 9,235,774 (the “’774 Patent”) on
10 RAND terms. The ’818 Patent that InterDigital has asserted against Disney in this
11 Action is a continuation of the ’774 Patent. Moreover, in this Declaration Form,
12 Thomson Licensing again agreed it would offer to license on RAND terms any
13 patent(s) and patent application(s) essential to implement the H.265 standard.

14 47. InterDigital is also bound, including by the commitments Thomson
15 Licensing made, to offer licenses on RAND terms for any patents controlled by it or
16 its predecessors that are essential and/or declared to be essential to implementing
17 the H.264 and H.265 standards, including the ’301, ’610, and ’818 Patents.¹⁴

18 48. InterDigital also openly and publicly submitted Declaration Forms to
19 the ITU, ISO, and/or IEC. On behalf of InterDigital Video Technologies, Inc.,
20 Bradley Ditty, Vice President, Patents, signed a “Patent Statement and Licensing
21 Declaration for ITU-T or ITU-R Recommendation | ISO or IEC Deliverable” on
22 August 24, 2020. Upon information and belief, InterDigital submitted this
23 application to the ITU, ISO, and/or IEC. In this Declaration Form, InterDigital
24 agreed it would offer to license on RAND terms any patent(s) and patent
25 application(s) essential to implementing the H.265 standard.

26 49. Additionally, InterDigital’s infringement allegations in this Action
27 with respect to the asserted ’301, ’610, and ’818 Patents are based solely on the

28 ¹⁴ See 2012 Guidelines at 5; 2015 Guidelines at Annex 2.

1 H.264 and H.265 standards documents. InterDigital's infringement allegations
2 regarding the asserted '301, '610, and '818 Patents rest entirely on implementing
3 the H.264 and H.265 standards such that, according to InterDigital's infringement
4 allegations, implementing the standards requires use of at least the asserted '301,
5 '610 and '818 Patents. Without conceding that the '301, '610, or '818 Patents are
6 essential to the H.264 or H.265 standards, and without conceding that any of
7 Disney's products or services practice any claims of such patents, InterDigital is
8 contractually obligated to offer to license at least the patents it or its predecessors
9 identified to the ITU, ISO, and/or IEC, including the '301, '610, and '818 Patents,
10 on RAND terms.

11 *The Brazilian Action*

12 50. On February 3, 2025, InterDigital filed a patent infringement action
13 against Disney in Brazil asserting Brazilian patents PI0305519.1 and PI0318825.6
14 (collectively, the "Brazilian Patents"), both of which are in the same patent family
15 as the '301 Patent asserted in this Action. Before filing its action in Brazil,
16 InterDigital was contractually obligated to offer Disney a license to the Brazilian
17 Patents on RAND terms.

18 51. On behalf of Thomson Licensing, David W. Herring, Director of
19 Intellectual Property & Licensing, signed a "Patent Statement and Licensing
20 Declaration for ITU-T or ITU-R Recommendation | ISO or IEC Deliverable" on
21 December 18, 2012. Upon information and belief, Thomson Licensing submitted
22 this Declaration Form to the ITU, ISO, and/or IEC. In this Declaration Form,
23 Thomson Licensing agreed it would license the Brazilian Patents on RAND terms.
24 Moreover, in this Declaration Form, Thomson Licensing again agreed it would
25 license on RAND terms any patent(s) and patent application(s) essential to
26 implementing the H.265 standard. As the assignee of Thomson Licensing's
27 patents, InterDigital is also bound by the commitments Thomson Licensing made to
28

1 offer to license on RAND terms the Brazilian Patents and any patents essential to
2 implementing the H.264 and H.265 standards.¹⁵

3 52. Moreover, InterDigital's infringement allegations in the Brazilian
4 Action are based solely on the H.264 and H.265 standards documents.
5 InterDigital's infringement allegations regarding the Brazilian Patents rest entirely
6 on implementing the H.264 and H.265 standards such that, according to
7 InterDigital's infringement allegations, implementing the standards requires use of
8 at least the asserted Brazilian Patents. Without conceding the Brazilian Patents are
9 essential to the H.264 or H.265 standards, and without conceding that any of
10 Disney's products or services practice any claims of such patents, InterDigital is
11 contractually obligated to offer to license at least the patents it or its predecessors
12 identified to the ITU, ISO, and/or IEC, including the Brazilian Patents, on RAND
13 terms.

14 *The UPC Actions*

15 53. On February 3, 2025, InterDigital filed a patent infringement action
16 against Disney in the Unified Patent Court's Mannheim Local Division asserting
17 European Patent EP2465265. That same day, InterDigital also filed a patent
18 infringement action against Disney in the Unified Patent Court's Düsseldorf Local
19 Division asserting European Patent EP2449782 (collectively, the "UPC Actions").
20 Before filing its UPC actions, InterDigital was contractually obligated to offer
21 Disney a license to European Patents EP2465265 and EP2449782 (collectively, the
22 "UPC Patents") on RAND terms.

23 54. On behalf of Thomson Licensing, David W. Herring, Director of
24 Intellectual Property & Licensing, signed a "Patent Statement and Licensing
25 Declaration for ITU-T or ITU-R Recommendation | ISO or IEC Deliverable" on
26 February 5, 2017. Upon information and belief, Thomson Licensing submitted this
27

28 ¹⁵ See 2012 Guidelines at 5.

1 Declaration Form to the ITU, ISO, and/or IEC. In this Declaration Form, Thomson
2 Licensing agreed it would license European Patent Applications EP10743254.4 and
3 EP10760462.1 on RAND terms. European Patents EP2465265 and EP2449782
4 that are asserted against Disney in the UPC Actions issued from European Patent
5 Applications EP10743254.4 and EP10760462.1, respectively. Moreover, in this
6 Declaration Form, Thomson Licensing again agreed it would offer to license on
7 RAND terms any patent(s) and patent application(s) essential to implementing the
8 H.265 standard. As the assignee of Thomson Licensing's patents, InterDigital is
9 also bound by the commitments Thomson Licensing made to offer to license on
10 RAND terms the UPC Patents and any patents essential to implementing the H.265
11 standard.¹⁶

12 55. Also, InterDigital's infringement allegations in the UPC Actions with
13 respect to the UPC Patents are based solely on the H.265 standard. InterDigital's
14 infringement allegations regarding the UPC Patents rest entirely on implementing
15 the H.265 standard such that, according to InterDigital's infringement allegations,
16 implementing the standard requires use of at least the asserted UPC Patents.
17 Without conceding the UPC Patents are essential to the H.265 standard, and
18 without conceding that any of Disney's products or services practice any claims of
19 such patents, InterDigital is contractually obligated to offer to license at least the
20 patents it or its predecessors identified to the ITU, ISO, and/or IEC, including the
21 UPC Patents, on RAND terms.

22 **InterDigital's Breach of Its Contractual Obligation to License Its Identified**
23 **Patents on the Promised Terms**

24 56. As discussed above, InterDigital has had contractual obligations to
25 offer to license on RAND terms the '301, '610, and '818 Patents asserted in this
26 Action, the Brazilian Patents, the UPC Patents, and any patents and patent
27

28 ¹⁶ See 2015 Guidelines at Annex 2.

1 applications essential to implementing the H.264 and H.265 standards. In
2 reasonable reliance upon InterDigital's contractual commitments to license its
3 patents on RAND terms, market participants like Disney expended substantial
4 resources in research, development, and marketing of products and services
5 designed to be compatible with video coding technologies, like the H.264 and
6 H.265 standards.

7 57. In willful disregard of its commitments to the ITU, ISO, IEC, their
8 affiliates and members, and intended third-party beneficiaries, including Disney,
9 InterDigital has refused to offer Disney a license on RAND terms to its patents,
10 including the '301, '610, and '818 Patents, the Brazilian Patents, and the UPC
11 Patents.

12 58. Instead of offering Disney a license on RAND terms, InterDigital
13 launched a global litigation attack. In addition to filing this Action, InterDigital
14 initiated patent infringement proceedings in Germany, Brazil, the Unified Patent
15 Court's Düsseldorf Local Division, and the Unified Patent Court's Mannheim
16 Local Division. Moreover, InterDigital has sought an *ex parte* injunction against
17 Disney in Brazil. InterDigital has further been attempting to obtain improper
18 leverage by seeking injunctive relief, and attempting to coerce Disney into
19 capitulating and paying excessive, non-RAND royalties.

20 59. Despite InterDigital's conduct being plainly inconsistent with
21 InterDigital's contractual obligations to license its patents on RAND terms, Disney
22 has attempted to continue negotiating. On February 19, 2025, Disney sent
23 InterDigital a letter offering to engage in licensing negotiations and requesting that
24 InterDigital "propose a license on a worldwide, non-discriminatory basis and on
25 reasonable terms and conditions consistent with ITU RAND policies and
26 Thomson's (and InterDigital's) commitments to the ITU."

27 60. InterDigital has refused to provide such an offer. Instead, on February
28 28, 2025, InterDigital sent a letter refusing to provide an offer to license its patents

1 on RAND terms. Despite Thomson Licensing's and InterDigital's explicit
2 contractual commitments to license on RAND terms the '301, '610, and '818
3 Patents asserted in this Action, the Brazilian Patents, and the UPC Patents,
4 InterDigital asserted that these patents are not subject to any such obligations.
5 InterDigital stated that "video encoding technology itself is not specified in the
6 H.264/5 standards and thus it is not RAND encumbered."

7 **FIRST COUNTERCLAIM**

8 **(Breach of Contract)**

9 61. Disney incorporates by reference the admissions, denials, and
10 allegations set forth in Paragraphs 1 through 60 as if fully set forth herein.

11 62. As set forth above, through its statements, conduct, and/or relationship
12 with Thomson Licensing, InterDigital has express or implied contractual
13 commitments with the ITU, ISO, and/or IEC and their respective members,
14 affiliates, and/or intended third-party beneficiaries, including Disney, to (1) abide
15 by the ITU's Patent Policy and Guidelines, and (2) offer to license on RAND terms
16 the '301, '610, and '818 Patents asserted in this Action, the Brazilian Patents, the
17 UPC Patents, and other patents and applications essential to implementing the
18 H.264 and H.265 standards (collectively, "RAND-Encumbered Patents").

19 63. Every party producing products or delivering services that support
20 H.264 and H.265 standards, including Disney, is an intended third-party beneficiary
21 of InterDigital's contractual commitments to the ITU, ISO, and/or IEC.

22 64. InterDigital breached its contractual obligations in its conduct with
23 Disney in multiple ways as explained above, including by refusing to offer Disney a
24 license on RAND terms to the RAND-Encumbered Patents, failing to negotiate and
25 act in good faith, filing this Action and foreign proceedings which seek to enjoin
26 Disney's alleged implementation of H.264 and H.265 technologies, and seeking to
27 coerce Disney into capitulating and paying excessive, non-RAND royalties. On
28 information and belief, InterDigital has also breached its contractual obligations by

1 filing this Action and foreign proceedings based on RAND-Encumbered Patents
2 that InterDigital has already licensed to other entities that sell devices used for
3 Disney+, Hulu, Hulu Live, and ESPN+.

4 65. As a result of InterDigital's breach, Disney has been injured in its
5 business or property. InterDigital's refusal to offer a license to Disney on RAND
6 terms and conditions has deprived Disney of its right to such a license, which has
7 caused Disney to incur unnecessary costs and unwarranted harm. The expedited
8 injunctive relief that InterDigital is seeking in proceedings that InterDigital has filed
9 in foreign jurisdictions is threatening Disney by immediate loss of profits, loss of
10 customers and potential customers, and loss of goodwill and product image.

11 66. Disney has suffered damages, and will suffer further damages and
12 irreparable harm, by reason of each and all of the acts, practices, breaches and
13 conduct Disney alleges above until and unless the Court enjoins such acts,
14 practices, and conduct.

15 67. Moreover, InterDigital's breach further constitutes waiver and/or
16 estoppel of InterDigital's rights to enforce the '301, '610, and '818 Patents against
17 any entity allegedly practicing the standard. Thus, the breach renders InterDigital's
18 RAND-Encumbered Patents unenforceable against Disney.

19 **SECOND COUNTERCLAIM**

20 **(Promissory Estoppel)**

21 68. Disney incorporates by reference the admissions, denials, and
22 allegations set forth in Paragraphs 1 through 67 as if fully set forth herein.

23 69. As set forth above, InterDigital and Thomson Licensing made clear
24 and definite promises to potential licensees through their commitments to the ITU,
25 ISO, IEC, their affiliates and members, and intended third-party beneficiaries,
26 including Disney, to offer to license on RAND terms the '301, '610, and '818
27 Patents asserted in this Action, the Brazilian Patents, the UPC Patents, and other
28 patents and applications essential to implementing the H.264 and H.265 standards.

1 As a successor-in-interest, InterDigital obtained its rights to these patents subject to
2 such commitments made by Thomson Licensing and either knew or should have
3 known of the nature of the RAND commitments that encumbered the disclosed
4 patents and patent applications.¹⁷

5 70. The intended purpose of InterDigital's and Thomson Licensing's
6 promises was to induce reliance upon these promises so that companies like Disney
7 would invest substantial resources to design, develop, and produce products or
8 services compatible with the relevant standards. InterDigital knew or reasonably
9 should have expected to know that they would induce reliance on these promises by
10 companies such as Disney.

11 71. Disney developed and marketed its products and services in reliance
12 on InterDigital's promises, including making various products and services
13 compliant with H.264 and H.265 standards.

14 72. InterDigital is estopped from reneging on these promises under the
15 doctrine of promissory estoppel.

16 73. Disney has been harmed as a result of its reasonable reliance on
17 InterDigital's promises. Disney has been forced to expend resources resolving this
18 licensing dispute, including defending patent infringement claims and efforts to
19 enjoin its products notwithstanding Disney's continuing willingness to take a
20 license to InterDigital's RAND-Encumbered Patents. Disney is threatened by the
21 imminent loss of profits, loss of customers and potential customers, imposition of
22 non-RAND terms and conditions, and loss of goodwill and product image.

23 74. Disney has suffered and will continue to suffer irreparable injury by
24 reason of each and all of the acts, practices, and conduct alleged above until and
25 unless the Court enjoins such acts, practices, and conduct.

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27
28

¹⁷ See 2012 Guidelines at 5; 2015 Guidelines at Annex 2.

1 75. Moreover, InterDigital's breach further constitutes waiver and/or
2 estoppel of InterDigital's rights to enforce the '301, '610, and '818 Patents against
3 any entity allegedly practicing the standard.

4 **THIRD COUNTERCLAIM**

5 **(Breach of Duty of Good Faith)**

6 76. Disney incorporates by reference the admissions, denials, and
7 allegations set forth in Paragraphs 1 through 75 as if fully set forth herein.

8 77. As set forth above, through its statements, conduct, and/or relationship
9 with Thomson Licensing, InterDigital has express or implied contractual
10 commitments with the ITU, ISO, and/or IEC and their respective members,
11 affiliates, and/or intended third-party beneficiaries, including Disney, to (1) abide
12 by the ITU's Patent Policy and Guidelines, and (2) offer to license on RAND terms
13 the RAND-Encumbered Patents.

14 78. Every party producing products or delivering services that support
15 H.264 and H.265 standards, including Disney, is an intended third-party beneficiary
16 of InterDigital's contractual commitments to the ITU, ISO, and/or IEC.

17 79. As set forth above, InterDigital breached its obligation to negotiate in
18 good faith. InterDigital refused to offer Disney a license on RAND terms to the
19 RAND-Encumbered Patents, failing to negotiate and act in good faith, and by filing
20 this Action and foreign proceedings which seek to enjoin Disney's alleged
21 implementation of H.264 and H.265, and seek to coerce Disney into capitulating
22 and paying excessive, non-RAND royalties.

23 80. As a result of InterDigital's breach, Disney has been injured in its
24 business or property. InterDigital's refusal to offer a license to Disney on RAND
25 terms and conditions has deprived Disney of its right to such a license, which has
26 caused Disney to incur unnecessary costs and unwarranted harm, in these
27 proceedings and as a result of the proceedings InterDigital has filed in foreign
28 jurisdictions seeking expedited, and in some cases, *ex parte* injunctive relief.

1 Disney is further threatened by immediate loss of profits, loss of customers and
2 potential customers, and loss of goodwill and product image.

3 81. Disney has suffered damages, and will suffer further damages and
4 irreparable harm, by reason of each and all of the acts, practices, breaches and
5 conduct Disney alleges above until and unless the Court enjoins such acts,
6 practices, and conduct.

7 **FOURTH COUNTERCLAIM**

8 **(Request for Declaratory Judgment that InterDigital has Not Complied with**
9 **Its Obligations)**

10 82. Disney incorporates by reference the admissions, denials, and
11 allegations set forth in Paragraphs 1 through 81 as if fully set forth herein.

12 83. As set forth above, through its statements, conduct, and/or relationship
13 with Thomson Licensing, InterDigital has express or implied contractual
14 commitments with the ITU, ISO, and/or IEC and their respective members,
15 affiliates, and/or intended third-party beneficiaries, including Disney, to (1) abide
16 by the ITU's Patent Policy and Guidelines, and (2) offer to license on RAND terms
17 the RAND-Encumbered Patents.

18 84. Every party producing products or delivering services that support
19 H.264 and H.265 standards, including Disney, is an intended third-party beneficiary
20 of InterDigital's contractual commitments to the ITU, ISO, and/or IEC.

21 85. As set forth above, InterDigital has not complied with its contractual
22 obligations by refusing to offer a license on RAND terms, and instead choosing to
23 engage in global litigation rather than good faith negotiation with Disney.
24 Specifically, InterDigital has failed to provide Disney with RAND terms and
25 conditions for a license to the RAND-Encumbered Patents.

26 86. As a result of the acts described in the foregoing paragraphs, and
27 particularly in view of InterDigital's unwillingness to engage in good faith
28

1 negotiations, there exists a substantial controversy of sufficient immediacy to
2 warrant the issuance of a declaratory judgment.

3 87. This dispute is of sufficient immediacy and reality to warrant the issue
4 of a declaratory judgment.

5 88. Disney requests a judicial declaration that InterDigital has not
6 complied with its contractual obligations to abide by the ITU's, ISO's, and IEC's
7 Patent Policy and Guidelines, and to offer to license on RAND terms the RAND-
8 Encumbered Patents.

9 **FIFTH COUNTERCLAIM**

10 **(Non-Infringement of the '301 Patent)**

11 89. Disney incorporates by reference the admissions, denials, and
12 allegations set forth in Paragraphs 1 through 88 as if fully set forth herein.

13 90. Disney has not infringed and is not infringing, either directly or
14 indirectly, any valid and enforceable claim of the '301 Patent.

15 91. An actual controversy exists between Disney and InterDigital as to
16 whether Disney infringes the '301 Patent, as InterDigital contends, or does not do
17 so, as Disney contends.

18 92. Disney has been injured and damaged by InterDigital's filing of a
19 lawsuit against Disney based on a patent that Disney does not infringe.

20 93. Disney therefore seeks a declaration that it does not infringe any valid
21 and enforceable claim of the '301 Patent.

22 **SIXTH COUNTERCLAIM**

23 **(Non-Infringement of the '610 Patent)**

24 94. Disney incorporates by reference the admissions, denials, and
25 allegations set forth in Paragraphs 1 through 93 as if fully set forth herein.

26 95. Disney has not infringed and is not infringing, either directly or
27 indirectly, any valid and enforceable claim of the '610 Patent.
28

1 96. An actual controversy exists between Disney and InterDigital as to
2 whether Disney infringes the '610 Patent, as InterDigital contends, or does not do
3 so, as Disney contends.

4 97. Disney has been injured and damaged by InterDigital's filing of a
5 lawsuit against Disney based on a patent that Disney does not infringe.

6 98. Disney therefore seeks a declaration that it does not infringe any valid
7 and enforceable claim of the '610 Patent.

8 **SEVENTH COUNTERCLAIM**

9 **(Non-Infringement of the '818 Patent)**

10 99. Disney incorporates by reference the admissions, denials, and
11 allegations set forth in Paragraphs 1 through 98 as if fully set forth herein.

12 100. Disney has not infringed and is not infringing, either directly or
13 indirectly, any valid and enforceable claim of the '818 Patent.

14 101. An actual controversy exists between Disney and InterDigital as to
15 whether Disney infringes the '818 Patent, as InterDigital contends, or does not do
16 so, as Disney contends.

17 102. Disney has been injured and damaged by InterDigital's filing of a
18 lawsuit against Disney based on a patent that Disney does not infringe.

19 103. Disney therefore seeks a declaration that it does not infringe any valid
20 and enforceable claim of the '818 Patent.

21 **EIGHTH COUNTERCLAIM**

22 **(Non-Infringement of the '268 Patent)**

23 104. Disney incorporates by reference the admissions, denials, and
24 allegations set forth in Paragraphs 1 through 103 as if fully set forth herein.

25 105. Disney has not infringed and is not infringing, either directly or
26 indirectly, any valid and enforceable claim of the '268 Patent.

1 106. An actual controversy exists between Disney and InterDigital as to
2 whether Disney infringes the '268 Patent, as InterDigital contends, or does not do
3 so, as Disney contends.

4 107. Disney has been injured and damaged by InterDigital's filing of a
5 lawsuit against Disney based on a patent that Disney does not infringe.

6 108. Disney therefore seeks a declaration that it does not infringe any valid
7 and enforceable claim of the '268 Patent.

8 **NINTH COUNTERCLAIM**

9 **(Non-Infringement of the '297 Patent)**

10 109. Disney incorporates by reference the admissions, denials, and
11 allegations set forth in Paragraphs 1 through 108 as if fully set forth herein.

12 110. Disney has not infringed and is not infringing, either directly or
13 indirectly, any valid and enforceable claim of the '297 Patent.

14 111. An actual controversy exists between Disney and InterDigital as to
15 whether Disney infringes the '297 Patent, as InterDigital contends, or does not do
16 so, as Disney contends.

17 112. Disney has been injured and damaged by InterDigital's filing of a
18 lawsuit against Disney based on a patent that Disney does not infringe.

19 113. Disney therefore seeks a declaration that it does not infringe any valid
20 and enforceable claim of the '297 Patent.

21 **TENTH COUNTERCLAIM**

22 **(Invalidity of the '301 Patent)**

23 114. Disney incorporates by reference the admissions, denials, and
24 allegations set forth in Paragraphs 1 through 113 as if fully set forth herein.

25 115. One or more of the claims of the '301 Patent are invalid for failing to
26 meet the conditions for patentability under 35 U.S.C. § 1 *et seq.*, including §§ 101,
27 102, 103, and/or 112.

1 116. An actual controversy exists between Disney and InterDigital as to
2 whether the '301 Patent is valid, based on InterDigital having filed its Complaint
3 against Disney alleging infringement of the '301 Patent.

4 117. Disney has been injured and damaged by InterDigital's filing of a
5 lawsuit against Disney asserting invalid patents.

6 118. Disney therefore seeks a declaration that one or more claims of the
7 '301 Patent are invalid for failing to meet the conditions for patentability under 35
8 U.S.C. § 1 *et seq.*

9 **ELEVENTH COUNTERCLAIM**

10 **(Invalidity of the '610 Patent)**

11 119. Disney incorporates by reference the admissions, denials, and
12 allegations set forth in Paragraphs 1 through 118 as if fully set forth herein.

13 120. One or more of the claims of the '610 Patent are invalid for failing to
14 meet the conditions for patentability under 35 U.S.C. § 1 *et seq.*, including §§ 101,
15 102, 103, and/or 112.

16 121. An actual controversy exists between Disney and InterDigital as to
17 whether the '610 Patent is valid, based on InterDigital having filed its Complaint
18 against Disney alleging infringement of the '610 Patent.

19 122. Disney has been injured and damaged by InterDigital's filing of a
20 lawsuit against Disney asserting invalid patents.

21 123. Disney therefore seeks a declaration that one or more claims of the
22 '610 Patent are invalid for failing to meet the conditions for patentability under 35
23 U.S.C. § 1 *et seq.*

24 **TWELFTH COUNTERCLAIM**

25 **(Invalidity of the '818 Patent)**

26 124. Disney incorporates by reference the admissions, denials, and
27 allegations set forth in Paragraphs 1 through 123 as if fully set forth herein.
28

1 125. One or more of the claims of the '818 Patent are invalid for failing to
2 meet the conditions for patentability under 35 U.S.C. § 1 *et seq.*, including §§ 101,
3 102, 103, and/or 112.

4 126. An actual controversy exists between Disney and InterDigital as to
5 whether the '818 Patent is valid, based on InterDigital having filed its Complaint
6 against Disney alleging infringement of the '818 Patent.

7 127. Disney has been injured and damaged by InterDigital's filing of a
8 lawsuit against Disney asserting invalid patents.

9 128. Disney therefore seeks a declaration that one or more claims of the
10 '818 Patent are invalid for failing to meet the conditions for patentability under 35
11 U.S.C. § 1 *et seq.*

12 **THIRTEENTH COUNTERCLAIM**

13 **(Invalidity of the '268 Patent)**

14 129. Disney incorporates by reference the admissions, denials, and
15 allegations set forth in Paragraphs 1 through 128 as if fully set forth herein.

16 130. One or more of the claims of the '268 Patent are invalid for failing to
17 meet the conditions for patentability under 35 U.S.C. § 1 *et seq.*, including §§ 101,
18 102, 103, and/or 112.

19 131. An actual controversy exists between Disney and InterDigital as to
20 whether the '268 Patent is valid, based on InterDigital having filed its Complaint
21 against Disney alleging infringement of the '268 Patent.

22 132. Disney has been injured and damaged by InterDigital's filing of a
23 lawsuit against Disney asserting invalid patents.

24 133. Disney therefore seeks a declaration that one or more claims of the
25 '268 Patent are invalid for failing to meet the conditions for patentability under 35
26 U.S.C. § 1 *et seq.*

FOURTEENTH COUNTERCLAIM

(Invalidity of the '297 Patent)

134. Disney incorporates by reference the admissions, denials, and allegations set forth in Paragraphs 1 through 133 as if fully set forth herein.

135. One or more of the claims of the '297 Patent are invalid for failing to meet the conditions for patentability under 35 U.S.C. § 1 *et seq.*, including §§ 101, 102, 103, and/or 112.

136. An actual controversy exists between Disney and InterDigital as to whether the '297 Patent is valid, based on InterDigital having filed its Complaint against Disney alleging infringement of the '297 Patent.

137. Disney has been injured and damaged by InterDigital's filing of a lawsuit against Disney asserting invalid patents.

138. Disney therefore seeks a declaration that one or more claims of the '297 Patent are invalid for failing to meet the conditions for patentability under 35 U.S.C. § 1 *et seq.*

FIFTEENTH COUNTERCLAIM

(Request for Declaratory Judgment of

Patent Exhaustion with respect to the '301 Patent)

139. Disney incorporates by reference the admissions, denials, and allegations set forth in Paragraphs 1 through 138 as if fully set forth herein.

140. Apple Inc. ("Apple") produces "Mac Studio" computers equipped with chips that provide "Hardware-accelerated H.264 [and] HEVC" encoding.¹⁸ Apple also produces the "Compressor" software that supports "encoding jobs for a broad range of industry-standard formats, including MPEG-2, H.264, [and] HEVC."¹⁹

141. Disney has acquired a Mac Studio computer and a copy of the Compressor software from Apple. Disney has used the acquired Mac Studio

¹⁸ Apple, <https://www.apple.com/mac-studio/specs/>.

¹⁹ Apple, <https://www.apple.com/final-cut-pro/compressor/>.

1 computer and/or the Compressor to encode a video and produced six versions of
2 encoded videos, including:

- 3 (1) Encoded Video (Version 1),²⁰ encoded using Disney's H.264/AVC
4 encoder running inside a virtual machine container executing on the
5 Mac Studio computer,
- 6 (2) Encoded Video (Version 2),²¹ encoded using Disney's H.265/HEVC
7 encoder running inside a virtual machine container executing on the
8 Mac Studio computer,
- 9 (3) Encoded Video (Version 3),²² encoded using Disney's H.264/AVC
10 encoder running natively on the Mac Studio computer,
- 11 (4) Encoded Video (Version 4),²³ encoded using Disney's H.265/HEVC
12 encoder running natively on the Mac Studio computer,
- 13 (5) Encoded Video (Version 5),²⁴ encoded in the H.264/AVC format
14 using the Apple's Compressor running on the Mac Studio computer,
15 and
- 16 (6) Encoded Video (Version 6),²⁵ encoded in the H.265/HEVC format
17 using the Apple's Compressor running on the Mac Studio computer.

18 142. On information and belief, InterDigital has entered into a license
19 agreement with Apple wherein InterDigital has licensed the '301 Patent to Apple.
20 Apple, as an authorized licensee, sold products allegedly covered by the '301 Patent
21 to Disney without restrictions on resale or use.

22 143. As a result of Disney's use of the Mac Studio computer and/or the
23 Compressor software acquired from Apple to encode and produce the six versions
24 of encoded videos listed in Paragraph 141, InterDigital's patent rights regarding the

25 ²⁰ Available at <http://live-gen-jfk3.qa.origin.media.starott.com/jfk3/va01/mt/1/index.m3u8>.

26 ²¹ Available at <http://live-gen-jfk3.qa.origin.media.starott.com/jfk3/va01/mt/2/index.m3u8>.

27 ²² Available at <http://live-gen-jfk3.qa.origin.media.starott.com/jfk3/va01/mt/3/index.m3u8>.

28 ²³ Available at <http://live-gen-jfk3.qa.origin.media.starott.com/jfk3/va01/mt/4/index.m3u8>.

²⁴ Available at <http://live-gen-jfk3.qa.origin.media.starott.com/jfk3/va01/mt/5/index.m3u8>.

²⁵ Available at <http://live-gen-jfk3.qa.origin.media.starott.com/jfk3/va01/mt/6/index.m3u8>.

1 '301 Patent have been exhausted with respect to each of the six versions of encoded
2 videos listed in Paragraph 141 due to an authorized first sale of the patented
3 product.

4 144. Disney is entitled to a declaratory judgment that InterDigital's patent
5 rights regarding the '301 Patent have been exhausted with respect to Disney's
6 encoding of any H.264 or H.265 video using an Apple computer and/or Apple
7 software, including but not limited to, Disney's encoding of each of the six versions
8 of encoded videos listed in Paragraph 141.

9 145. This dispute is of sufficient immediacy and reality to warrant the issue
10 of a declaratory judgment because an actual controversy exists between Disney and
11 InterDigital as to whether Disney infringes the '301 Patent, as InterDigital
12 contends, or does not do so, as Disney contends.

13 146. Disney requests a judicial declaration that InterDigital's patent rights
14 regarding the '301 Patent have been exhausted with respect to Disney's encoding of
15 any H.264 or H.265 video using an Apple computer and/or Apple software,
16 including but not limited to, each of the six versions of encoded videos listed in
17 Paragraph 141, due to an authorized first sale of a patented product.

18 **SIXTEENTH COUNTERCLAIM**

19 **(Request for Declaratory Judgment of**

20 **Express License with respect to the '301 Patent)**

21 147. Disney incorporates by reference the admissions, denials, and
22 allegations set forth in Paragraphs 1 through 146 as if fully set forth herein.

23 148. On information and belief, InterDigital has entered into a license
24 agreement with Apple wherein InterDigital has licensed the '301 Patent to Apple.
25 Apple, as an authorized licensee, sold products allegedly covered by the '301 Patent
26 to Disney without restrictions on resale or use.

27 149. On information and belief, Disney's use of the Mac Studio computer
28 and/or the Compressor software acquired from Apple to encode and produce the six

1 versions of encoded videos listed in Paragraph 141 is expressly licensed to the '301
2 Patent under InterDigital's license agreement with Apple.

3 150. Disney is entitled to a declaratory judgment that InterDigital's patent
4 rights regarding the '301 Patent have been expressly licensed with respect to
5 Disney's encoding of any H.264 or H.265 video using an Apple computer and/or
6 Apple software, including but not limited to, Disney's encoding of each of the six
7 versions of encoded videos listed in Paragraph 141.

8 151. This dispute is of sufficient immediacy and reality to warrant the issue
9 of a declaratory judgment because an actual controversy exists between Disney and
10 InterDigital as to whether Disney infringes the '301 Patent, as InterDigital
11 contends, or does not do so, as Disney contends.

12 152. Disney requests a judicial declaration that Disney's encoding of H.264
13 or H.265 video using an Apple computer and/or Apple software, including but not
14 limited to, Disney's use of the Mac Studio computer and/or the Compressor
15 software acquired from Apple to encode and produce the six versions of encoded
16 videos listed in Paragraph 141, is expressly licensed to the '301 Patent under
17 InterDigital's license agreement with Apple.

18 153. In addition, on information and belief, InterDigital has entered into
19 license agreements with multiple third-party companies, including but not limited
20 to, Apple, Samsung, LG Electronics, Lenovo, and other companies, that sell
21 smartphones, tablets, computers, televisions, and/or other devices in the United
22 States wherein InterDigital licensed the '301 Patent to those companies (the "'301
23 Patent Licensed Third Parties").

24 154. Devices sold by the '301 Patent Licensed Third Parties are licensed to
25 the '301 Patent and include, and/or are used by consumers to run and stream videos
26 using, for example, the accused products, including Disney+, Hulu, Hulu Live, and
27 ESPN+. For example, Samsung sells televisions in the United States that are pre-
28

1 installed with Disney+.²⁶ Such licensed devices must receive H.264 or H.265
2 encoded video to use the expressly licensed InterDigital patents. Therefore, on
3 information and belief, Disney's accused products and any accused encoding of
4 H.264 or H.265 video by Disney is expressly licensed to the '301 Patent under
5 InterDigital's license agreements with the '301 Patent Licensed Third Parties.

6 155. Disney is entitled to a declaratory judgment that Disney is expressly
7 licensed to the '301 Patent with respect to any use of Disney services and products,
8 including the accused products, by devices sold by the '301 Patent Licensed Third
9 Parties.

10 156. This dispute is of sufficient immediacy and reality to warrant the issue
11 of a declaratory judgment because an actual controversy exists between Disney and
12 InterDigital as to whether Disney infringes the '301 Patent, as InterDigital
13 contends, or does not do so, as Disney contends.

14 157. Disney requests a judicial declaration that Disney is expressly licensed
15 to the '301 Patent with respect to any use of the accused products by devices sold
16 by the '301 Patent Licensed Third Parties.

17 **SEVENTEENTH COUNTERCLAIM**

18 **(Request for Declaratory Judgment of**

19 **Implied License with respect to the '301 Patent)**

20 158. Disney incorporates by reference the admissions, denials, and
21 allegations set forth in Paragraphs 1 through 157 as if fully set forth herein.

22 159. On information and belief, InterDigital has entered into a license
23 agreement with Apple wherein InterDigital has licensed the '301 Patent to Apple.
24 Apple, as an authorized licensee, sold products allegedly covered by the '301 Patent
25 to Disney without restrictions on resale or use.

26 160. On information and belief, Disney is an end-user of a licensed device.
27 Accordingly, on information and belief, Disney's use of the Mac Studio computer

28 ²⁶ <https://www.samsung.com/ca/support/tv-audio-video/tv-watch-disney-plus/>.

1 and/or the Compressor software acquired from Apple to encode and produce the six
2 versions of encoded videos listed in Paragraph 141 is impliedly licensed to the '301
3 Patent under InterDigital's license agreement with Apple.

4 161. Disney is entitled to a declaratory judgment that InterDigital's patent
5 rights regarding the '301 Patent have been impliedly licensed with respect to
6 Disney's encoding of any H.264 or H.265 video using an Apple computer and/or
7 Apple software, including but not limited to, Disney's encoding of each of the six
8 versions of encoded videos listed in Paragraph 141.

9 162. This dispute is of sufficient immediacy and reality to warrant the issue
10 of a declaratory judgment because an actual controversy exists between Disney and
11 InterDigital as to whether Disney infringes the '301 Patent, as InterDigital
12 contends, or does not do so, as Disney contends.

13 163. Disney requests a judicial declaration that Disney's encoding of any
14 H.264 or H.265 video using an Apple computer and/or Apple software, including
15 but not limited to, Disney's use of the Mac Studio computer and/or the Compressor
16 software acquired from Apple to encode and produce the six versions of encoded
17 videos listed in Paragraph 141, is impliedly licensed to the '301 Patent under
18 InterDigital's license agreement with Apple.

19 164. In addition, on information and belief, InterDigital has entered into
20 license agreements with multiple third-party companies, including but not limited
21 to, Apple, Samsung, LG Electronics, Lenovo, and other companies, that sell
22 smartphones, tablets, computers, televisions, and/or other devices in the United
23 States wherein InterDigital licensed the '301 Patent to the '301 Patent Licensed
24 Third Parties.

25 165. Devices sold by the '301 Patent Licensed Third Parties are licensed to
26 the '301 Patent and include, and/or are used by consumers to run and stream videos
27 using, for example, the accused products, including Disney+, Hulu, Hulu Live, and
28 ESPN+. For example, Samsung sells televisions in the United States that are pre-

1 installed with Disney+.²⁷ Such licensed devices must receive H.264 or H.265
2 encoded video to use the expressly licensed InterDigital patents. Therefore, on
3 information and belief, Disney's accused products and any accused encoding of
4 H.264 or H.265 video by Disney is impliedly licensed to the '301 Patent under
5 InterDigital's license agreements with the '301 Patent Licensed Third Parties.

6 166. Disney is entitled to a declaratory judgment that Disney is impliedly
7 licensed to the '301 Patent with respect to any use of Disney services and products,
8 including the accused products, by devices sold by the '301 Patent Licensed Third
9 Parties.

10 167. This dispute is of sufficient immediacy and reality to warrant the issue
11 of a declaratory judgment because an actual controversy exists between Disney and
12 InterDigital as to whether Disney infringes the '301 Patent, as InterDigital
13 contends, or does not do so, as Disney contends.

14 168. Disney requests a judicial declaration that Disney is impliedly licensed
15 to the '301 Patent with respect to any use of the accused products by devices sold
16 by the '301 Patent Licensed Third Parties.

17 **EIGHTEENTH COUNTERCLAIM**

18 **(Request for Declaratory Judgment of**

19 **Patent Exhaustion with respect to the '610 Patent)**

20 169. Disney incorporates by reference the admissions, denials, and
21 allegations set forth in Paragraphs 1 through 168 as if fully set forth herein.

22 170. On information and belief, InterDigital has entered into a license
23 agreement with Apple wherein InterDigital has licensed the '610 Patent to Apple.
24 Apple, as an authorized licensee, sold products allegedly covered by the '610 Patent
25 to Disney without restrictions on resale or use.

26 171. As a result of Disney's use of the Mac Studio computer and/or the
27 Compressor software acquired from Apple to encode and produce the six versions

28 ²⁷ <https://www.samsung.com/ca/support/tv-audio-video/tv-watch-disney-plus/>.

1 of encoded videos listed in Paragraph 141, InterDigital's patent rights regarding the
2 '610 Patent have been exhausted with respect to each of the six versions of encoded
3 videos listed in Paragraph 141 due to an authorized first sale of the patented
4 product.

5 172. Disney is entitled to a declaratory judgment that InterDigital's patent
6 rights regarding the '610 Patent have been exhausted with respect to Disney's
7 encoding of any H.265 video using an Apple computer and/or Apple software,
8 including but not limited to, Disney's encoding of each of the six versions of
9 encoded videos listed in Paragraph 141.

10 173. This dispute is of sufficient immediacy and reality to warrant the issue
11 of a declaratory judgment because an actual controversy exists between Disney and
12 InterDigital as to whether Disney infringes the '610 Patent, as InterDigital
13 contends, or does not do so, as Disney contends.

14 174. Disney requests a judicial declaration that InterDigital's patent rights
15 regarding the '610 Patent have been exhausted with respect to Disney's encoding of
16 any H.265 video using an Apple computer and/or Apple software, including but not
17 limited to, each of the six versions of encoded videos listed in Paragraph 141, due
18 to an authorized first sale of a patented product.

19 **NINETEENTH COUNTERCLAIM**

20 **(Request for Declaratory Judgment of**

21 **Express License with respect to the '610 Patent)**

22 175. Disney incorporates by reference the admissions, denials, and
23 allegations set forth in Paragraphs 1 through 174 as if fully set forth herein.

24 176. On information and belief, InterDigital has entered into a license
25 agreement with Apple wherein InterDigital has licensed the '610 Patent to Apple.
26 Apple, as an authorized licensee, sold products allegedly covered by the '610 Patent
27 to Disney without restrictions on resale or use.
28

1 177. On information and belief, Disney's use of the Mac Studio computer
2 and/or the Compressor software acquired from Apple to encode and produce the six
3 versions of encoded videos listed in Paragraph 141 is expressly licensed to the '610
4 Patent under InterDigital's license agreement with Apple.

5 178. Disney is entitled to a declaratory judgment that InterDigital's patent
6 rights regarding the '610 Patent have been expressly licensed with respect to
7 Disney's encoding of any H.265 video using an Apple computer and/or Apple
8 software, including but not limited to, Disney's encoding of each of the six versions
9 of encoded videos listed in Paragraph 141.

10 179. This dispute is of sufficient immediacy and reality to warrant the issue
11 of a declaratory judgment because an actual controversy exists between Disney and
12 InterDigital as to whether Disney infringes the '610 Patent, as InterDigital
13 contends, or does not do so, as Disney contends.

14 180. Disney requests a judicial declaration that Disney's encoding of any
15 H.265 video using an Apple computer and/or Apple software, including but not
16 limited to, Disney's use of the Mac Studio computer and/or the Compressor
17 software acquired from Apple to encode and produce the six versions of encoded
18 videos listed in Paragraph 141, is expressly licensed to the '610 Patent under
19 InterDigital's license agreement with Apple.

20 181. In addition, on information and belief, InterDigital has entered into
21 license agreements with multiple third-party companies, including but not limited
22 to, Apple, Samsung, LG Electronics, Lenovo, and other companies, that sell
23 smartphones, tablets, computers, televisions, and/or other devices in the United
24 States wherein InterDigital licensed the '610 Patent to those companies (the "'610
25 Patent Licensed Third Parties").

26 182. Devices sold by the '610 Patent Licensed Third Parties are licensed to
27 the '610 Patent and include, and/or are used by consumers to run and stream videos
28 using, for example, the accused products, including Disney+, Hulu, Hulu Live, and

1 ESPN+. For example, Samsung sells televisions in the United States that are pre-
2 installed with Disney+. ²⁸ Such licensed devices must receive H.265 encoded video
3 to use the expressly licensed InterDigital patents. Therefore, on information and
4 belief, Disney's accused products and any accused encoding of H.265 video by
5 Disney is expressly licensed to the '610 Patent under InterDigital's license
6 agreements with the '610 Patent Licensed Third Parties.

7 183. Disney is entitled to a declaratory judgment that Disney is expressly
8 licensed to the '610 Patent with respect to any use of Disney services and products,
9 including the accused products, by devices sold by the '610 Patent Licensed Third
10 Parties.

11 184. This dispute is of sufficient immediacy and reality to warrant the issue
12 of a declaratory judgment because an actual controversy exists between Disney and
13 InterDigital as to whether Disney infringes the '610 Patent, as InterDigital
14 contends, or does not do so, as Disney contends.

15 185. Disney requests a judicial declaration that Disney is expressly licensed
16 to the '610 Patent with respect to any use of the accused products by devices sold
17 by the '610 Patent Licensed Third Parties.

18 **TWENTIETH COUNTERCLAIM**

19 **(Request for Declaratory Judgment of**

20 **Implied License with respect to the '610 Patent)**

21 186. Disney incorporates by reference the admissions, denials, and
22 allegations set forth in Paragraphs 1 through 185 as if fully set forth herein.

23 187. On information and belief, InterDigital has entered into a license
24 agreement with Apple wherein InterDigital has licensed the '610 Patent to Apple.
25 Apple, as an authorized licensee, sold products allegedly covered by the '610 Patent
26 to Disney without restrictions on resale or use.

27
28 ²⁸ <https://www.samsung.com/ca/support/tv-audio-video/tv-watch-disney-plus/>.

1 188. On information and belief, Disney is an end-user of a licensed device.
2 Accordingly, on information and belief, Disney's use of the Mac Studio computer
3 and/or the Compressor software acquired from Apple to encode and produce the six
4 versions of encoded videos listed in Paragraph 141 is impliedly licensed to the '610
5 Patent under InterDigital's license agreement with Apple.

6 189. Disney is entitled to a declaratory judgment that InterDigital's patent
7 rights regarding the '610 Patent have been impliedly licensed with respect to
8 Disney's encoding of any H.265 video using an Apple computer and/or Apple
9 software, including but not limited to, Disney's encoding of each of the six versions
10 of encoded videos listed in Paragraph 141.

11 190. This dispute is of sufficient immediacy and reality to warrant the issue
12 of a declaratory judgment because an actual controversy exists between Disney and
13 InterDigital as to whether Disney infringes the '610 Patent, as InterDigital
14 contends, or does not do so, as Disney contends.

15 191. Disney requests a judicial declaration that Disney's encoding of any
16 H.265 video using an Apple computer and/or Apple software, including but not
17 limited to, Disney's use of the Mac Studio computer and/or the Compressor
18 software acquired from Apple to encode and produce the six versions of encoded
19 videos listed in Paragraph 141, is impliedly licensed to the '610 Patent under
20 InterDigital's license agreement with Apple.

21 192. In addition, on information and belief, InterDigital has entered into
22 license agreements with multiple third-party companies, including but not limited
23 to, Apple, Samsung, LG Electronics, Lenovo, and other companies, that sell
24 smartphones, tablets, computers, televisions, and/or other devices in the United
25 States wherein InterDigital licensed the '610 Patent to the '610 Patent Licensed
26 Third Parties.

27 193. Devices sold by the '610 Patent Licensed Third Parties are licensed to
28 the '610 Patent and include, and/or are used by consumers to run and stream videos

1 using, for example, the accused products, including Disney+, Hulu, Hulu Live, and
2 ESPN+. For example, Samsung sells televisions in the United States that are pre-
3 installed with Disney+. ²⁹ Such licensed devices must receive H.265 encoded video
4 to use the expressly licensed InterDigital patents. Therefore, on information and
5 belief, Disney's accused products and any accused encoding of H.265 video by
6 Disney is impliedly licensed to the '610 Patent under InterDigital's license
7 agreements with the '610 Patent Licensed Third Parties.

8 194. Disney is entitled to a declaratory judgment that Disney is impliedly
9 licensed to the '610 Patent with respect to any use of Disney services and products,
10 including the accused products, by devices sold by the '610 Patent Licensed Third
11 Parties.

12 195. This dispute is of sufficient immediacy and reality to warrant the issue
13 of a declaratory judgment because an actual controversy exists between Disney and
14 InterDigital as to whether Disney infringes the '610 Patent, as InterDigital
15 contends, or does not do so, as Disney contends.

16 196. Disney requests a judicial declaration that Disney is impliedly licensed
17 to the '610 Patent with respect to any use of the accused products by devices sold
18 by the '610 Patent Licensed Third Parties.

19 **TWENTY-FIRST COUNTERCLAIM**

20 **(Request for Declaratory Judgment of**

21 **Patent Exhaustion with respect to the '818 Patent)**

22 197. Disney incorporates by reference the admissions, denials, and
23 allegations set forth in Paragraphs 1 through 196 as if fully set forth herein.

24 198. On information and belief, InterDigital has entered into a license
25 agreement with Apple wherein InterDigital has licensed the '818 Patent to Apple.
26 Apple, as an authorized licensee, sold products allegedly covered by the '818 Patent
27 to Disney without restrictions on resale or use.

28 ²⁹ <https://www.samsung.com/ca/support/tv-audio-video/tv-watch-disney-plus/>.

1 199. As a result of Disney's use of the Mac Studio computer and/or the
2 Compressor software acquired from Apple to encode and produce the six versions
3 of encoded videos listed in Paragraph 141, InterDigital's patent rights regarding the
4 '818 Patent have been exhausted with respect to each of the six versions of encoded
5 videos listed in Paragraph 141 due to an authorized first sale of the patented
6 product.

7 200. Disney is entitled to a declaratory judgment that InterDigital's patent
8 rights regarding the '818 Patent have been exhausted with respect to Disney's
9 encoding of any H.265 video using an Apple computer and/or Apple software,
10 including but not limited to, Disney's encoding of each of the six versions of
11 encoded videos listed in Paragraph 141.

12 201. This dispute is of sufficient immediacy and reality to warrant the issue
13 of a declaratory judgment because an actual controversy exists between Disney and
14 InterDigital as to whether Disney infringes the '818 Patent, as InterDigital
15 contends, or does not do so, as Disney contends.

16 202. Disney requests a judicial declaration that InterDigital's patent rights
17 regarding the '818 Patent have been exhausted with respect to Disney's encoding of
18 any H.265 video using an Apple computer and/or Apple software, including but not
19 limited to, each of the six versions of encoded videos listed in Paragraph 141, due
20 to an authorized first sale of a patented product.

21 **TWENTY-SECOND COUNTERCLAIM**

22 **(Request for Declaratory Judgment of**

23 **Express License with respect to the '818 Patent)**

24 203. Disney incorporates by reference the admissions, denials, and
25 allegations set forth in Paragraphs 1 through 202 as if fully set forth herein.

26 204. On information and belief, InterDigital has entered into a license
27 agreement with Apple wherein InterDigital has licensed the '818 Patent to Apple.
28

1 Apple, as an authorized licensee, sold products allegedly covered by the '818 Patent
2 to Disney without restrictions on resale or use.

3 205. On information and belief, Disney's use of the Mac Studio computer
4 and/or the Compressor software acquired from Apple to encode and produce the six
5 versions of encoded videos listed in Paragraph 141 is expressly licensed to the '818
6 Patent under InterDigital's license agreement with Apple.

7 206. Disney is entitled to a declaratory judgment that InterDigital's patent
8 rights regarding the '818 Patent have been expressly licensed with respect to
9 Disney's encoding of any H.265 video using an Apple computer and/or Apple
10 software, including but not limited to, Disney's encoding of each of the six versions
11 of encoded videos listed in Paragraph 141.

12 207. This dispute is of sufficient immediacy and reality to warrant the issue
13 of a declaratory judgment because an actual controversy exists between Disney and
14 InterDigital as to whether Disney infringes the '818 Patent, as InterDigital
15 contends, or does not do so, as Disney contends.

16 208. Disney requests a judicial declaration that Disney's encoding of any
17 H.265 video using an Apple computer and/or Apple software, including but not
18 limited to, Disney's use of the Mac Studio computer and/or the Compressor
19 software acquired from Apple to encode and produce the six versions of encoded
20 videos listed in Paragraph 141, is expressly licensed to the '818 Patent under
21 InterDigital's license agreement with Apple.

22 209. In addition, on information and belief, InterDigital has entered into
23 license agreements with multiple third-party companies, including but not limited
24 to, Apple, Samsung, LG Electronics, Lenovo, and other companies, that sell
25 smartphones, tablets, computers, televisions, and/or other devices in the United
26 States wherein InterDigital licensed the '818 Patent to those companies (the "'818
27 Patent Licensed Third Parties").
28

1 210. Devices sold by the '818 Patent Licensed Third Parties are licensed to
2 the '818 Patent and include, and/or are used by consumers to run and stream videos
3 using, for example, the accused products, including Disney+, Hulu, Hulu Live, and
4 ESPN+. For example, Samsung sells televisions in the United States that are pre-
5 installed with Disney+. ³⁰ Such licensed devices must receive H.265 encoded video
6 to use the expressly licensed InterDigital patents. Therefore, on information and
7 belief, Disney's accused products and any accused encoding of H.265 video by
8 Disney is expressly licensed to the '818 Patent under InterDigital's license
9 agreements with the '818 Patent Licensed Third Parties.

10 211. Disney is entitled to a declaratory judgment that Disney is expressly
11 licensed to the '818 Patent with respect to Disney services and products, including
12 any use of the accused products, by devices sold by the '818 Patent Licensed Third
13 Parties.

14 212. This dispute is of sufficient immediacy and reality to warrant the issue
15 of a declaratory judgment because an actual controversy exists between Disney and
16 InterDigital as to whether Disney infringes the '818 Patent, as InterDigital
17 contends, or does not do so, as Disney contends.

18 213. Disney requests a judicial declaration that Disney is expressly licensed
19 to the '818 Patent with respect to any use of the accused products by devices sold
20 by the '818 Patent Licensed Third Parties.

21 **TWENTY-THIRD COUNTERCLAIM**

22 **(Request for Declaratory Judgment of**

23 **Implied License with respect to the '818 Patent)**

24 214. Disney incorporates by reference the admissions, denials, and
25 allegations set forth in Paragraphs 1 through 213 as if fully set forth herein.

26 215. On information and belief, InterDigital has entered into a license
27 agreement with Apple wherein InterDigital has licensed the '818 Patent to Apple.

28 ³⁰ <https://www.samsung.com/ca/support/tv-audio-video/tv-watch-disney-plus/>.

1 Apple, as an authorized licensee, sold products allegedly covered by the '818 Patent
2 to Disney without restrictions on resale or use.

3 216. On information and belief, Disney is an end-user of a licensed device.
4 Accordingly, on information and belief, Disney's use of the Mac Studio computer
5 and/or the Compressor software acquired from Apple to encode and produce the six
6 versions of encoded videos listed in Paragraph 141 is impliedly licensed to the '818
7 Patent under InterDigital's license agreement with Apple.

8 217. Disney is entitled to a declaratory judgment that InterDigital's patent
9 rights regarding the '818 Patent have been impliedly licensed with respect to
10 Disney's encoding of any H.265 video using an Apple computer and/or Apple
11 software, including but not limited to, Disney's encoding of each of the six versions
12 of encoded videos listed in Paragraph 141.

13 218. This dispute is of sufficient immediacy and reality to warrant the issue
14 of a declaratory judgment because an actual controversy exists between Disney and
15 InterDigital as to whether Disney infringes the '818 Patent, as InterDigital
16 contends, or does not do so, as Disney contends.

17 219. Disney requests a judicial declaration that Disney's encoding of any
18 H.265 video using an Apple computer and/or Apple software, including but not
19 limited to, Disney's use of the Mac Studio computer and/or the Compressor
20 software acquired from Apple to encode and produce the six versions of encoded
21 videos listed in Paragraph 141, is impliedly licensed to the '818 Patent under
22 InterDigital's license agreement with Apple.

23 220. In addition, on information and belief, InterDigital has entered into
24 license agreements with multiple third-party companies, including but not limited
25 to, Apple, Samsung, LG Electronics, Lenovo, and other companies, that sell
26 smartphones, tablets, computers, televisions, and/or other devices in the United
27 States wherein InterDigital licensed the '818 Patent to the '818 Patent Licensed
28 Third Parties.

221. Devices sold by the '818 Licensed Third Parties are licensed to the '818 Patent and include, and/or are used by consumers to run and stream videos using, for example, the accused products, including Disney+, Hulu, Hulu Live, and ESPN+. For example, Samsung sells televisions in the United States that are pre-installed with Disney+. ³¹ Such licensed devices must receive H.265 encoded video to use the expressly licensed InterDigital patents. Therefore, on information and belief, Disney's accused products and any accused encoding of H.265 video by Disney is impliedly licensed to the '818 Patent under InterDigital's license agreements with the '818 Patent Licensed Third Parties.

222. Disney is entitled to a declaratory judgment that Disney is impliedly licensed to the '818 Patent with respect to Disney services and products, including any use of the accused products, by devices sold by the '818 Patent Licensed Third Parties.

223. This dispute is of sufficient immediacy and reality to warrant the issue of a declaratory judgment because an actual controversy exists between Disney and InterDigital as to whether Disney infringes the '818 Patent, as InterDigital contends, or does not do so, as Disney contends.

224. Disney requests a judicial declaration that Disney is impliedly licensed to the '818 Patent with respect to any use of the accused products by devices sold by the '818 Patent Licensed Third Parties.

PRAYER FOR RELIEF

WHEREFORE, Disney respectfully seeks the following relief:

A. A judgment that InterDigital take nothing by way of its Complaint and the same be dismissed with prejudice;

B. A judgment that all damages, costs, expenses, attorneys' fees, or other relief sought by InterDigital be denied;

³¹ <https://www.samsung.com/ca/support/tv-audio-video/tv-watch-disney-plus/>.

1 C. A judgment and declaration that Disney has not infringed, contributed
2 to the infringement of, or induced others to infringe, either directly or indirectly,
3 any valid and enforceable claim of the '301, '610, '818, '268 and '297 Patents,
4 willful or otherwise;

5 D. A judgment and declaration that the '301, '610, '818, '268, and '297
6 Patents are invalid and/or unenforceable;

7 E. A judgment that InterDigital is liable for breach of contract, breach of
8 its duty of good faith, and promissory estoppel;

9 F. A judgment awarding Disney damages and pre-judgment and post-
10 judgment interest for InterDigital's breach of contract, breach of its duty of good
11 faith, and promissory estoppel;

12 G. A judgment granting Disney injunctive relief consistent with the
13 determinations in this case;

14 H. A judgment enjoining InterDigital from conduct inconsistent with its
15 RAND obligations;

16 I. A judgment and declaration that InterDigital's patent rights regarding
17 each of the '301, '610, and '818 Patents have been exhausted with respect to
18 Disney's encoding of any H.264 or H.265 video using an Apple computer and/or
19 Apple software, including but not limited to, Disney's encoding of each of the six
20 versions of encoded videos listed in Paragraph 141;

21 J. A judgment and declaration that InterDigital's patent rights regarding
22 the '301, '610, and '818 Patents have been expressly licensed with respect to
23 Disney's encoding of any H.264 or H.265 video using an Apple computer and/or
24 Apple software, including but not limited to, Disney's encoding of each of the six
25 versions of encoded videos listed in Paragraph 141;

26 K. A judgment and declaration that InterDigital's patent rights regarding
27 the '301, '610, and '818 Patents have been impliedly licensed with respect to
28 Disney's encoding of any H.264 or H.265 video using an Apple computer and/or

1 Apple software, including but not limited to, Disney's encoding of each of the six
2 versions of encoded videos listed in Paragraph 141;

3 L. A judgment and declaration that Disney is expressly licensed to the
4 '301, '610, and '818 Patents with respect to any use of Disney services and the
5 accused products, including the accused products, by devices sold by the '301
6 Patent Licensed Third Parties, '610 Patent Licensed Third Parties, and '818 Patent
7 Licensed Third Parties;

8 M. A judgment and declaration that Disney has an implied licensed to the
9 '301, '610, and '818 Patents with respect to any use of Disney services and the
10 accused products, including the accused products, by devices sold by the '301
11 Patent Licensed Third Parties, '610 Patent Licensed Third Parties, and '818 Patent
12 Licensed Third Parties;

13 N. An award to Disney of its attorney's fees and costs incurred in
14 responding to and defending actions filed by InterDigital seeking injunctive relief in
15 foreign courts;

16 O. A judgment that this case is exceptional under 35 U.S.C. § 285 and an
17 award to Disney of its reasonable costs and expenses of litigation, including
18 attorneys' fees and prejudgment interest; and

19 P. Such other relief as the Court shall deem just and proper.
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1 Dated: March 31, 2025

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14 *BAMTech LLC, Hulu, LLC, and ESPN,*
15 *Inc.*